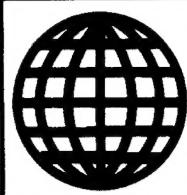


9 JULY 1992



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Mitsotakis: Greece Ready for Cooperation

*AU0507154992 Tirana RILINDJA DEMOKRATIKE
in Albanian 21 Jun 92 p 1*

[Letter from Greek Prime Minister Konstandinos Mitsotakis to Albanian President Sali Berisha; date not given: "Relations Between Both our Countries Manifest an Accelerated Dynamics"]

[Text]

Mr. President,

I thank you for your letter of 17 May. I would like to express my satisfaction over the results of my visit of some time ago to Tirana. Our two countries should constitute a factor of stability in the region and an example of bilateral harmonious cooperation. The necessary guarantees do exist for this. I believe that the relations between both our countries demonstrate a force of accelerated dynamics either at a bilateral or international level.

The delegations gathered in Athens on 22-23 May held constructive meetings and signed the agreement to open consulates. Putting into practice what has been achieved will happen soon and will not be delayed.

Concerning the granting of credits, we will provide Albania with every possible facility. It is expected that Finance Minister Ruli will soon visit Athens to finally arrange the credit opportunities and apply them as soon as possible.

I have already assured you that Greece will accept a number of Albanians for seasonal work to help your country, which is experiencing a very difficult economic situation. The first exchange of opinions between the

relevant officials from both countries has already been made, and I very much hope that we will soon reach an agreement.

Our cooperation should also include other fields. As I have already asserted in Tirana, we are ready to cooperate with you in all the fields of common interest. We will receive your envoys and study your proposals about this problem. The road is already open in the fields of maritime trade and agriculture.

I am confident that the cooperation in these fields will create the basis to further develop the brotherly relations between our two peoples. I am also convinced that the Greek minority in Albania will resolutely contribute to this goal.

I am happy that we agree that these Albanian citizens in ties of friendship between our countries and peoples [as published]. I am pleased by your words during our last meeting and especially by the decision to grant the Greek minority there all Albanian citizens' rights as they are stipulated in the CSCE framework.

I am also confident that it is necessary to develop and institutionalize our consultations concerning the key problems that the Balkan region is facing. The sincere cooperation between our two countries may constitute an important factor of stability and contribute to establishing peace and security in the whole region. We are ready to examine a mechanism of consultations between both our foreign ministries to fulfill this target.

I hope that we will soon have the honor of receiving you in Athens according to an invitation by the president of the republic to proceed with rapid steps in further expanding our bilateral relations.

With my highest regard,
Konstandinos Mitsotakis

Fear of Doing Business With Turkey Dismissed

AU0507202192 Sofia PODKREPA in Bulgarian
26 Jun 92 p 5

[Article by Rumen Kovachev: "Another Witch-Hunt?"]

[Text] Certain recent events are once again in the forefront of the political firing line. Some political forces want to use "fear" as the prime means of arousing tension. I am struggling to understand the painful catharsis being experienced by all those who are still wandering in the labyrinth of fears about the activities of alien forces, the expansion of intelligence activities by countries X and Y, the work of political formations such as the Movement for Rights and Freedoms [DPS], manifestations of Pan-Turkism, the appearance of certain trends toward Turkification in certain populated centers, the suspicious increase in activity in Pomak settlements, counterarguments and statements.... In general, there is no lack of bulls and toreadors in the political arena. The corrida is in full swing, but it is doubtful whether the public will have the strength to applaud. Once again, I revert to the grave consequences of the past that continue to affect our relations with Turkey, for example.

"Yes, grave elements indeed remain from the past. They have contributed to no small extent to bringing us to the brink of disaster." These words, penned by the noted writer and deputy chairman of the Turkish Writers Union, Demirtash Dzheykhun, can serve as our starting point, even if we also look at the reverse side of the coin when discussing the pluses and minuses of Black Sea cooperation.

In this context, should we regard with growing distrust the Turkish businessmen who have come to Bulgaria, regarding it in the long term as a launchpad that will bring economic dividends? Why should they not come? If the businessmen had come from elsewhere, surely we would apply the same epithets and qualifications. I am not a great one for quotations, but I think it is appropriate to quote Mr. Yalcin Oral, the Turkish ambassador in Sofia, who stated that "the two countries' economies offer possibilities and potential for active cooperation on a broad scale."

Naturally, opponents to this assertion always appeared, claiming that diplomacy has always been the practice of concealing true aims. What are we to do, then? Are we to shut ourselves away once more in international isolation like a snail in its shell, or simply put our friends and enemies away on the shelf for the future? Is it necessary to prepare the ground for a new witch-hunt by making guesses and voicing suspicions? Have we not suffered enough from this in the past? Surely past politics and practical experience have provided a bitter enough lesson. Should we simply realize that we are already living according to new everyday laws? On the way toward these new relations, have we turned our heads away or, like the ostriches, buried our heads in the sand to ignore the evident fact that trade lasts a thousand years and that cooperation based on trade lasts the same

length of time? Business, not petty political considerations, should now come to the forefront. Fear should be relegated to the background. Otherwise, we will not be able to breathe in the Balkan Peninsula, and every day will die a little as a result of prejudices, petty selfish considerations, and partisan attitudes.

Fears Voiced for Safety of Moldova Bulgarians

AU0707141392 Sofia KONTINENT in Bulgarian
27-28 Jun 92 p 6

[Commentary by Emil Robev: "They Are Expecting Protection"]

[Text] Bulgarian blood was also shed in the Dniester region. It is not very easy to decide who is right and who is wrong in this distressing military conflict, which is the result of the Soviet empire's painful disintegration. Bulgarians are not a side in the conflict. Nevertheless, this fact does not protect them from becoming its victims.

On Thursday, 25 June, the Bulgarian National Assembly, with unusual unanimity, adopted a special declaration on the occasion, which merits wholehearted approval. Does this act perhaps come too late? Was it necessary for the Bulgarian state to await the loss of Bulgarian lives to find out that Bulgarian communities all over the world need its protection?

For several decades, Bulgarians abroad were solely exploited as an object of propaganda campaigns, while the problem of our compatriots in Bessarabia was not even mentioned because the "big Soviet brother" was taking care of them. The passive attitude of the state in this respect did not change, even over the past two years. Acts of charity are hardly a substitute for active political and cultural protection. If this had been done on time and with the necessary energy, the conflicting sides in the Dniester region would perhaps have hesitated before transferring their military operations to the areas inhabited by large groups of Bulgarian people.

Parliament and the government should submit a decisive and realistic plan on assistance as soon as possible. Regardless of the current crisis, the state should commit itself to accord hospitality and asylum to possible refugees—just like devastated Bulgaria offered shelter to thousands of our compatriots following the Balkan wars. Such an action would undoubtedly be supported by the people, regardless of its cost.

SDS Stand on 'National Reconciliation' Clarified

AU0607203392 Sofia DEMOKRATSIYA in Bulgarian
27 Jun 92 p 1

[Article by Georgi Petrov: "More on the Subject of National Reconciliation"]

[Text] The question of reconciliation recently became very topical, especially since the establishment of the so-called Alliance for Social Democracy [OSD]. As a

matter of fact, starting in 1918 and until 10 November 1989, Bulgaria was subject to constant, bloody internal struggles. We were actually involved in a permanent civil war. Today, however, the situation in our country is deliberately described as dramatic, imagining that we are on the verge of civil war. As if prisons and concentration camps were again crowded with political inmates, as was the case under communism! Having been born and raised in Lovech, I was often the involuntary witness to militiamen running along the shore of the Osum River with their angry dogs, chasing escaped concentration camp prisoners, who, for a brief moment at least, had managed to rescue themselves from that hell. I saw how cruel prison guards were, mistreating unfortunate people who were building a park in the Stratesh area. I observed the same images on the building site of the Bulgarian Communist Party [BCP] Okrug headquarters and of the stadium in Lovech. What an outrage! These long-suffering victims, these martyrs I just described, are now supposed to make their peace with their torturers. Who is talking about reconciliation, after the Union of Democratic Forces [SDS] has always declared itself in support of understanding with all political forces? Has even one single individual been sentenced for his political convictions or been sent to a camp without trial and verdict, during the SDS government's term of office? Reconciliation? Yes, but before it takes place, the culprits should be subject to their deserved punishment because we cannot talk about a third national disaster without naming the culprits. The people who appeared on the so-called list recently published by DEMOKRATSIYA [listing former BCP Politburo and government members who are subject to legal investigation] used to live "like kings." They stole from our own pockets. Today they have to answer to the law.

Let us clarify one thing: The SDS has no claims toward rank-and-file Communists. Not only did they not benefit from the system, but they were even victims of exploitation, like all other Bulgarians.

Today we must read the whole book of the past rather than only one page, the crimes of the communist leadership being too numerous. Only after everyone has read the book can its pages be closed. Our people do not seek revenge. That is against their nature. Nevertheless, they demand justice. Only after justice is established will passions calm down. Naturally, even in that case, there will not be any question of mutual embraces and "Russian-style kissing" between the ruling party and the opposition. Neither Conservatives and Labor Party members in Britain, nor PASOK [Panhellenic Socialist Movement] and New Democracy members in Greece are embracing each other in parliament. Such are the rules of parliamentary democracy, and, the sooner we learn them, the better it will be for the entire nation.

All the rest, the stories about national reconciliation included, is idle talk.

Representatives of the Bulgarian Socialist Party [BSP] have pronounced themselves in favor of just punishment

for criminals on more than one occasion, at least in words. This is the only way for them to show the people that their party has really changed. I would like to believe that, at least for once, they were telling the truth.

SDS-Affiliated SDP Leader Interviewed

AU0707144592 Sofia DEMOKRATSIYA in Bulgarian
27 Jun 92 pp 1, 3

[Interview with Ivan Kurtev, chairman of the Social Democratic Party, affiliated with the Union of Democratic Forces, by Borislav Chalukov; place and date not given: "Let Us Build Democracy in the First Place"]

[Text] [Chalukov] Mr. Kurtev, can you describe the role of the Social Democratic Party [SDP] in the political landscape and in the ranks of the Union of Democratic Forces [SDS] coalition?

[Kurtev] The communist propaganda is trying to describe the SDS as a monolithic party of the extreme right. This is not true because parties professing different ideological orientations are participating in the SDS coalition. The SDP is a left-center party, and its existence is a necessity for the political balance of the coalition. At the same time, we should point out that social democracy, as a whole, is a movement, characterized by a variety of trends. It is not subject to ideological postulates and dogmas. In this respect, we can describe ourselves as a right-wing social democratic party.

[Chalukov] What are the common features between you and the New Social Democratic Party, and how do you distinguish yourself from it?

[Kurtev] Following the restoration of the Bulgarian Social Democratic Party [BSDP] and the establishment of the New Social Democratic Party [NSDP], considerable differences existed between the two parties' leadership, which led to a cooling off of their mutual relations. After our 39th Extraordinary Congress, the differences gradually began to diminish and to soften. The SDP supported the application of the NSDP for SDS membership. Naturally, we differ on certain questions today, but they are rather of a tactical nature. Our strategic goals are very similar. We especially agree on one point—namely, on our categorical distancing from Marxism.

[Chalukov] The social democratic idea is quite attractive, but don't you think its implementation is difficult in a country burdened by foreign debts and economically devastated, such as ours?

[Kurtev] That is so, and that is precisely the reason the SDP is a member of the SDS. As early as 1946, Krustu Pastukhov said that democracy is a preliminary condition for the success of social democracy. His words are still topical today. We are not only Social Democrats, we are also democrats. The construction of a house should begin with its foundations.

[Chalukov] What are the most important problems facing the SDS coalition, and do you have your own solutions to propose?

[Kurtev] The SDS was established under political circumstances that were quite different from those of the present day. The SDS is a ruling coalition today. The political agreement among the SDS member parties and organizations needs to be updated and adjusted to the new conditions. The proposal we submitted to the SDS National Coordinating Council is related to this fact. In addition to this, the structures of the SDS National Coordinating Council were built while the SDS was in opposition. They also need certain amendments and improvements in their work.

[Chalukov] The SDP is already beginning to gain some prestige abroad. Nevertheless, what do you intend to do so that this party may really play the role it deserves?

[Kurtev] As a matter of fact, we have quite a few contacts with numerous social democratic parties in various countries. We informed the Socialist International of all of our activities. We are awaiting the official registration of the SDP for submitting our application for membership to the Socialist International. This is only a question of time, and we are convinced of a positive response, while the aspirations of certain other fake parties, such as the Bulgarian Socialist Party [BSP] (Communists), to sneak into the Socialist International through the back door is doomed to failure. Representatives of numerous social democratic parties that are members of the Socialist International reassured us that the BSP will never be accepted.

The Western social democratic parties, in fact, did not fail to notice that the SDP is the only social democratic party from the former socialist countries that is participating in government.

[Chalukov] Don't you think the so-called Alliance for Social Democracy [OSD] within the BSP (Communists) not only unceremoniously takes advantage of the social democratic assets and benefits from them but even pretends to have invented them?

[Kurtev] As far as I am concerned, the OSD is nothing more than one of the numerous variations of communism. Social democracy is a question not only of political convictions and views but also of political behavior. None of the OSD representatives have ever displayed political behavior distinguishing them from the neocommunists of the BSP. This is also a question of confidence in society. Who can believe the sincerity of the new "Social Democrats" as long as people such as Andrey Lukanov are their leaders? The communist is incapable of turning into a social democrat because these are two totally different ways of thinking, two totally opposite mentalities. The affiliation with social democracy must be proved by practical actions in political life rather than by declarations.

BSP's Videnov Hopes for New Elections

AU0907084692 *Sofia DUMA in Bulgarian*
24 Jun 92 p 4

[Interview with Zhan Videnov, chairman of the Bulgarian Socialist Party, by Dora Chichkova; place and date not given: "The Bulgarian Socialist Party Is Not Afraid of New Elections, It Is Preparing for Them"]

[Text] [Chichkova] Members of the Bulgarian Socialist Party [BSP] and the Union of Democratic Forces [SDS] alike are talking about national reconciliation nowadays. At the same time, however, the same BSP members called for new elections at the National Assembly, while the SDS parliamentary boss has explained that a nice idea, such as the one about reconciliation, could not stem from any place other than the SDS headquarters at 134 Rakovski Street. In your opinion, is such a national reconciliation possible?

[Videnov] The SDS came to power by ruthlessly exploiting the trends of confrontation in Bulgarian political life. It is still pursuing this line of behavior, which it is implementing through the power of the state organs under the form of overt political repression. Nevertheless, the SDS and its policy are a reality and cannot be excluded from the formula of a peaceful transition.

On the other hand, however, the SDS claims of forcibly imposing conditions for national reconciliation are unacceptable because it is becoming increasingly evident that the SDS embodies a repressive trend in the reforms and revanchism as its political guideline. This policy is intensifying the division in the nation, and it is preventing and seriously jeopardizing the democratization of our society and the peaceful nature of the transition. Such a policy should be totally unmasked before the public. The SDS has become the hostage of its own confrontational, extremist nature and of its totalitarian power. This, precisely, makes its formula of government socially unapplicable.

[Chichkova] Are you trying to say that we should prepare for new elections? People are saying that none of the political forces desires them, for the time being.

[Videnov] The SDS policy has manipulated our society into a deadlock, and the path of overcoming the crisis will inevitably lead to early parliamentary elections. We realize perfectly that the elections will become necessary after a series of SDS government crises, which are likely to totally discredit the SDS and reveal that it is incapable of ruling the country, at which point our society should realize that a better alternative for government exists in our country. This process is already under way.

The intensification of antidemocratic spirit in parliament manifests itself in the most brutal manner. The SDS is in a hurry to legalize political and economic restoration. Parliament is violating the Constitution itself. Some of the bills that have been passed have provoked and are still provoking social tensions. The

discrimination on political grounds is in striking contradiction with the basic European and worldwide standards of human rights. An abnormal atmosphere of confrontation prevails in parliament, and all of this indicates an emerging parliamentary crisis.

[Chichkova] Could the crisis be stimulated by active efforts on the part of the BSP?

[Videnov] We should have no delusions whatsoever regarding the fate of our initiative to dissolve parliament. Such an act is likely to evoke a controversial public reaction under the present circumstances. It would even further destabilize the situation and would be likely to rescue the totally incompetent SDS by providing an excellent opportunity for it to raise severe accusations and adopt extreme measures against the BSP. At the same time, the extraneous factors are likely to remain passive and uninvolved. Therefore, we should not risk any adventures.

[Chichkova] Is the BSP, perhaps, afraid of elections? Or would its parliament members be anxious about not losing their wages?

[Videnov] The BSP is not afraid of elections. On the contrary, it is trying to speed them up by its opposition activities and alternative proposals. The implementation of these tactics, however, is encountering great difficulties. It may take several months, but it is the most effective method of halting the political instability being caused by the SDS. The sooner new parliamentary elections take place, the better it will be for democracy in Bulgaria because there could also be other kinds of elections likely to even further jeopardize the peaceful transition. How could Bulgaria benefit from early local elections, from new presidential elections, or from a referendum on the form of government, or even from early parliamentary elections, as long as they take place under repressive conditions? I think the ruling forces would even have recourse to such extreme and undemocratic methods. The BSP is aware of the danger and will not permit itself to be involved in irresponsible adventures.

[Chichkova] Nevertheless, who is going to vote tomorrow for a party that today is content to play the role of a "punching bag" in parliament?

[Videnov] Work in a parliament that is almost totally deprived of parliamentary spirit certainly discredits the opposition as well. I am convinced that the SDS realizes this and is deliberately promoting the antidemocratic spirit in parliament, even at the price of its own popularity. The explanation is simple: The SDS is ready to preserve its power by force and is perfectly aware that the BSP has resolutely rejected such methods. Such a way of thinking reveals a typically totalitarian nature. However, a forcible attack against parliament is likely to facilitate the revival of totalitarianism.

For this reason, the BSP will remain in parliament as long as it is necessary to achieve the downfall of the SDS

through constitutional, democratic, and peaceful methods. All analyses of the situation point out that this day is not far away and that we are preparing for it.

[Chichkova] A dispute over the BSP's isolation recently flared up in party circles.

[Videnov] Yes, this is evidently a favorite term, and it is used by not only our political opponents. The BSP cannot possibly be isolated because it opposes the repressive and extremist trends in Bulgaria's political life. This makes the BSP a natural part of the Bulgarian democratic opposition. In addition to this, the responsibility of being the only parliamentary opposition is quite serious. The other democratic forces are expressing their readiness to have contacts at the highest level with the BSP.

If there should be serious obstacles to such cooperation, it is only prompted by the suspicion that the BSP is preparing a pact with the SDS at the expense of the extraparliamentary forces and trade unions. Our official stand on this issue is interpreted either as a demagogic trick or as not being in conformity with the intentions of the BSP circles that are really influencing decision-making in our party. Perhaps we are even likely to intensify such suspicions by confusing our partners with chaotic, simultaneous, and uncoordinated contacts.

As far as our international relations are concerned, the situation is more complicated. We have yet to see how the Socialist International will react to our application for membership. Let us not forget that over 30 parties are waiting to be admitted. Nevertheless, there is special interest in the BSP. Our party being a special phenomenon of the European left, no one refuses to establish contacts with us, an opportunity we should take advantage of. If the situation in our country and the nature and the objectives of the BSP were better known abroad, we would not exchange mutual attacks and empty talk about "isolation" but, rather, would discuss the methods of cooperation with the European left-wing forces in the common resistance against repressive methods and reactionary spirits.

Warning Against 'Playing Games' With Kozloduy

AU0507134592 Sofia *KONTINENT* in Bulgarian
29 Jun 92 p 6

[Commentary by Ognyan Branichev: "Playing Games With Kozloduy"]

[Text] Mr. Attali's visit reminded us of two things: One group of experts is trying to convince us that the Kozloduy Nuclear Power Plant should be closed down. They describe it as a ticking bomb that is likely to devastate all of Europe. Others, who are no less expert, explain that it is sufficient to operate the nuclear power plant in a proper way so that it may serve us for another dozen years. Both groups of people are living abroad.

The first group does not explain exactly what would happen if we close down the plant. Some vague promises about new building sites are floating in the air, stories about millions or billions [unit not specified] of hard currency coming to Bulgaria from some nondescript place are circulating, and powerful sources of energy are supposed to come out of nowhere. It is still not quite clear what should prevent the second group of experts from stabilizing our nuclear power plant.

From all of these vague promises, we can understand only that energy sources could not remain unaffected by the general crisis in our country. However, we have the feeling that we contributed our share to their present desolate state during the months of fierce political struggles. We have the feeling that people abroad are not so much concerned about the outdated reactors but, rather, about the missing sense of responsibility, the lack of necessary labor and operational discipline prevailing in our country. Kozloduy is a dangerous toy. However, such dangerous toys also exist in other former socialist countries, and it can be assumed that the West will reflect for some time what to do with them.

In the meantime, the powerful managers of the energy business are already looking at the Eastern territories. The international financial institutions will grant them the necessary resources for our recovery. The only thing is that we shall have to pay them back.

Objections to Black Sea Cooperation

AU0707140992 Sofia *OTECHESTVEN VESTNIK*
in Bulgarian 23 Jun 92 p 3

[Commentary by Dimitur Radkov: "The Half-Moon Overshadows the Black Sea Zone"]

[Text] We are on the eve of signing the declaration on the establishment of the Black Sea economic zone, which rallies several countries from the area. As the initiator of the project, Turkey also sent out invitations to states situated outside the Black Sea basin, asking them to join. This act reflects the intention of playing first violin in the new orchestra. Being historically doomed to be hated by all of their neighbors, the Turks are enjoying general respect today. While this should be understandable in the case of several Soviet republics that have common ethnic, language, and religious ties to Turkey, in the case of Bulgaria this is not the best solution for our political and economic relations. To declare that our country is looking toward the West, while at the same time we are toadying to our neighbor in the southeast, is by no means the most direct road to Europe.

Aleksandur Yordanov, the leader of the Union of Democratic Forces [SDS] Parliamentary Group, saw what other politicians did not notice in Ankara's approach to the new economic zone, and especially in its behavior toward Bulgaria. Therefore, in returning from his recent visit to Turkey, he categorically stated that it should be our main objective to strive for integration with European values. I have nothing against cooperation between

our two countries in all spheres, but it is somewhat too early to commit ourselves to a vague economic formation of not very highly developed states before being admitted to Europe.

It is natural that Ankara should be eager to seek economic profit, and its economic and political experts have correctly evaluated the great advantage of expanding the Black Sea economic zone to the east, namely to cooperation with the former Asian Soviet republics. Compared with all other countries in the area, Turkey is an economic power, capable of flooding their starving markets with a considerable amount of glittering surrogates. The Bulgarian market is already saturated with blue jeans, chocolates, and chewing gum. We need much more serious things in the future. The Turkish Eximbank is already preparing plans for financial expansion in connection with dominating the currency market of the Black Sea economic zone. For the time being, the lack of hard currency affecting the majority of partners will be compensated by barter deals, in which Turkish businessmen are quite experienced. For this reason, precisely, their opportunities of directing the movement of goods and prices are expected to increase in the coming years.

The Bulgarian Government and parliament already discussed the declaration on the Black Sea economic zone, which President Zhelev is scheduled to sign. They are trying to convince us that the declaration does not commit us with specific obligations. If that is so, where is our advantage?

Unrest Reported at Kremikovtsi Metalworks

AU0607200292 Sofia *TRUD* in Bulgarian
29 Jun 92 p 1

[Article by Milena Doncheva]

[Text] Nothing remains for the workers at the Kremikovtsi Corporation other than to defend their rights by striking. They have already gone on strike once and signed an agreement with Minister Bikov on 3 June. The agreement stated that the management of the combine would be replaced by more competent and uncompromised people, that no administrative measures would be taken against the strikers, and that the restructuring of the combine would be coordinated with the trade unions. To date, none of these commitments have been fulfilled. The Board of Directors at the very top, which is supposed to at least stir the air above Kremikovtsi, contains the old familiar names. Mr. Arso Doychev, former chairman of the Administrative Council, was appointed chairman of the new board. The workers at the combine do not want him as one of their chiefs, or Mr. Dimitur Vladev, another member of the former board. It can only be that Mr. Rumen Bikov has not read the agreement that he signed, or perhaps someone is trying to make a monkey out of someone. The declarations of readiness to strike made by the Confederation of Independent Trade Unions in Bulgaria [KNSB] and the

Podkrepa Labor Confederation would mean 40-45 million leva of losses for the combine every day.

Since last Friday (26 June), Seryozha Kyuchukov has been on a hunger strike in front of the presidential offices in Sofia. He is employed at ZDIE "Style" [expansion unknown], a subsidiary of the Kremikovtsi combine in Dimitrovgrad, and his colleagues at the same plant have joined him in a relay hunger strike. In addition to the claims made together with their Kremikovtsi colleagues, they want their plant to be separated from the combine because the production of window blinds has nothing to do with the casting of metal. This is a result of the machinations by Mr. Ivan Evlogiev, their former director, who is at present the owner of the Kompakt Company, which is engaged in the same type of production.

The web in which the former and the present managers of Kremikovtsi are enmeshed is quite extensive. However, the flies trapped in this web are not a handful, but 17,000 in all. Will Minister Bikov manage to unravel the tangled ball of wool and find the end, or will he leave this thankless job for more favorable times?

Minister: Agriculture Needs No Desk Administrators

AU0607195292 Sofia PODKREPA in Bulgarian
29 Jun 92 p 1

[Interview with Georgi Stoyanov, minister of agricultural development, land use, and restoration of land ownership, by Zhelyu Ivanov in Sofia on 26 June: "Agriculture Needs No Administrators"]

[Text] On Monday, 29 June, we will probably hear details about the new structure of the Ministry of Agriculture. Minister Georgi Stoyanov has no time to meet with reporters individually but spoke to a representative of the PODKREPA newspaper immediately following the last sitting of parliament.

[Ivanov] Mr. Minister, what do you think of the questions the National Assembly deputies put to you?

[Stoyanov] They are a synthesis of the deputies' good knowledge of agriculture's problems, based on permanent contacts with their electors. However, many of the questions I was asked lie outside my sphere of competence, such as those concerning interest rates, credits, and illegal actions by liquidation councils.

However, I was very glad to be asked about the future of the Hail Damage Directorate. It is a unique national system that must be preserved. Both my ministry and the Council of Ministers have done everything in their power to ensure this. Now the government must provide the necessary financial aid until a legislative basis is created for its financing in the future.

[Ivanov] The new structure also provides for decentralizing the responsibility for collecting the harvest.

[Stoyanov] It is high time to forget the notion that the Ministry of Agricultural Development directs economic activity. It can only exercise control—and specific control, at that—in accordance with its powers under the law. For example, it exercises veterinary and medical control, without directly interfering in the work of the agricultural structures. We are trying to give people the advice they need, not direct them. The issue of the choice of a method for managing farm land cannot lie within the jurisdiction of a higher organization. The ministry's role is to generate ideas, render assistance, and set priorities, but under no circumstances should it issue directives!

Trenchev Assesses Rival Podkrepa Union

AU0807193592 Sofia OTECHESTVEN VESTNIK
in Bulgarian 26 Jun 92 pp 1-2

[Interview with Konstantin Trenchev, chairman of the Podkrepa Labor Confederation, by Khristo Karlukovski; place and date not given: "Bulgaria Will Seek Its Own Road of Salvation"]

[Text] [Karlukovski] What is your commentary on the trade union and social behavior of the Podkrepa National Trade Union?

[Trenchev] The National Trade Union is a complicated phenomenon requiring an objective analysis. The existence of free trade unionism has always encountered the stubborn opposition of the ruling forces, which, realizing that they are facing convinced and united workers, have difficulties imposing their decisions that are likely to affect the working people's interests. The totalitarian administration did not work out an accurate strategy against the trade unions. Unlike the political parties today, which number over 100, only two trade unions remain. One of them is newly established. It is the Podkrepa Labor Confederation. It is no coincidence that this trade union is considered a unique phenomenon in the worldwide trade union movement. The other trade union formations are small groups in individual enterprises. They do not play any important role outside them (the so-called Syndicat Maison, as the French call it). They have the right to exist, but only within the framework of the enterprises in question where they were established, whereas a national trade union body has to satisfy certain criteria, including that it should have a membership of at least 10 percent of all committed workers (which total 2.8 million in Bulgaria) and that it should be represented in the majority of the industrial sectors, or at least in one-third of them. As an argument in support of these criteria, I will say that this is the practice of free trade unionism in the democratic world.

The structures of the Podkrepa National Trade Union have found no place in the Podkrepa Labor Confederation for a number of reasons. Their motive is quite transparent. They want to pack the newly formed National Council for Social Partnership with numerous

representatives of the most varied phantom organizations and thus block the work of the council. This hidden goal is supported by forces that do not want a national trade union dialogue.

In the political and economic chaos currently existing in Bulgaria, Podkrep is one of the few structures that has stable and lucid goals and tasks. This is not to the taste of certain politicians, who are striving to destroy the unity of the workers by various diversionary maneuvers.

[Karlukovski] What about the problem of Neftokhim? At the moment, 350 Podkrep members employed at Neftokhim are in Sofia. Why are they here?

[Trenchev] From now on, the Bulgarian public will see a "Petroleumgate" develop. We must ask ourselves several questions: How was an enterprise that made the greatest contributions to the State Treasury brought to a state of bankruptcy in the course of a few months? We are the only state in which an attempt was made by legislative means and using the levers of power to destroy an entire sector of the national economy. No other country rejects its own economy. In no other country is state policy based on antiprotectionism. I will be more specific.

Legislative means have been used to create a mechanism through which importers bring petroleum products into Bulgaria without paying the relevant duties to the state treasury. On the other hand, if Neftokhim takes the risk of manufacturing the same products, it has to pay excise duties both on the imported petroleum and on the range of petroleum products manufactured therefrom. (In this situation, it becomes uncompetitive.) The state has lost between 4 and 6 billion leva from this policy. I define such a policy as a crime of exceptional gravity.

This affects the interests of the petroleum workers, their families, and Bulgaria itself.

Therefore, the people who adopted these laws and economic schemes, those who applied them, and the people who knew what was going on but failed to intervene should all be treated as conspirators in a state crime. Our proposal is simple and clear: A commission should be set up, including members of parliament, financial experts, lawyers, and representatives of the employers and trade unions to examine all of the documents connected with Neftokhim. The findings of this commission should be publicized. Then it will become clear who played which role in the petroleum game. The Bulgarian public has a right to know their names.

[Karlukovski] In your opinion, is it objective from the public and political viewpoint to bring issues connected with national consensus and reconciliation to the forefront?

[Trenchev] Group interests exist in our society, but this does not mean that they should be directed in such ways as to destroy society; but they should be used to help society function better. However, this is primarily a political issue. Prior to 10 November 1989, our society possessed a certain configuration. Today we are witnessing the processes of

creating a new social configuration and a battle for the leading positions in the social hierarchy. I would like to draw attention to two factors that affect national consensus. First, there is the question of the minorities and minority groups; second, there are the representatives of the former Bulgarian Communist Party [BCP] and those of the current Bulgarian Socialist Party [BSP].

Regarding the first factor, during the past 45 years, a purposeful campaign was waged in Bulgaria with the aim of breaking up the minority groups. Our position is that every citizen in Bulgaria possesses equal rights, regardless of his or her religious, ethnic, or other affiliation. If doubts and tremors still occur, caused by the criminal policy of the former regime, the best way to smooth them out is through a national roundtable on the ethnic question with the participation of representatives of all interested parties. Dialogue is the right way to settle the problem in a civilized manner. We should learn from the experience of countries that have settled their nationality problem. Only in this manner can people living next door to one another be real neighbors and friends. We should not forget what is written in the Holy Book: "A house divided against itself cannot stand."

At our last congress, stormy discussions took place on the question of our attitude toward the BCP-BSP. Before 9 November 1989, Bulgaria had 9 million people, one-tenth of whom were party members in one way or another. Two questions arise from this objective historical fact: Was this social group homogeneous, and how has it changed during the past three years? The congress decided that a considerable number of members left the party, while others remained members. In other words, it split into two groups of the former and present members.

One should adopt a different approach to each of these groups. The former members include people who occupied leading positions. Among these we must seek out the culprits for the national disaster. They also include people who gained personal benefits from the power they held and people who perpetrated crimes against the people. However, the larger proportion is composed of former rank-and-file members, whose greatest sin is that they regularly paid their party subscriptions. We cannot permit such a social group to be expelled from membership of the nation. I believe that actual behavior and not words, appeals, and cries really contributes to dismantling the totalitarian structures. Only thus can communism become a bad memory of the past. Democratic thinking excludes taking the law into one's own hands. Bulgaria has immense tasks to perform, and the greater the number of people who pool their efforts, the more certain is the guarantee of our success. I think it is high time for every Bulgarian citizen to ask himself what he has done and what he is thinking of doing to save this ruined state because Bulgaria's salvation will not come from outside. It is the job of the Bulgarians themselves and of those who consider themselves to be Bulgarians and are prepared to overcome the passivity, enmity, and hatred before it is too late.

Prominent Vojvodina Engineer on Impact of Embargo

92BA1165A Novi Sad MAGYAR SZO in Hungarian
21 Jun 92 p 7

[Interview with Dorde Buric, engineer and director of the Naftagas enterprise, by Valeria G. Keszeg; place and date not given: "Embargo and the Changing of the Regime"]

[Text] *The fact that the oil embargo began in early summer, and not during the heating season, reduces the impact of the catastrophe; rationing and destitution could easily produce the opposite effect: It could strengthen Milosevic's rule; conversation with Dorde Buric, a Naftagas engineer, about the consequences of the embargo.*

Is the embargo going to topple the power? This question preoccupies both international and domestic public opinion now that we must have coupons to buy fuel, and now that slowly but surely factories are left without energy and raw materials, and workers without work. Head of government Radoman Bozovic himself acknowledged that two weeks after the embargo 20 percent of the Serb workforce has gone on forced leave.

Many believe that a consistent enforcement of the oil embargo by the rest of the world would be a large enough punishment to force Serbia to make the ultimate choice. We asked engineer Dorde Buric, the director in charge at Naftagas, about the possible consequences of the energy shortage, how long it could be tolerated, and to what extent the sanctions threatened the rulers of Serbia. He has many years of domestic and foreign experience in this branch of industry.

From Yogurt Cups To Carpet Manufacturing

[Keszeg] Could the oil embargo alone suffice to disintegrate the Serb economy?

[Buric] Fully. Even laymen know that crude oil and natural gas are used in every aspect of life. One should not forget that insofar as production and standard of living are concerned, Yugoslavia is one of the half-developed countries. Thus, everything has something to do with crude oil, starting with yogurt cups, through synthetic pipes, all the way to the manufacture of carpets and sugar. At this point we find ourselves in a situation in which we should decide who has preference and what has priority in terms of crude oil allocation. This would be the function of those who direct the national economy, and would require a high level of competence and ingenuity on their part. I am convinced, however, that the embargo was so unexpected that the leadership did not even prepare a "script" for the efficient distribution of supplies to minimize the economic damage, and, in particular, to avoid suffering long-term consequences. This government is incapable of preparing such a program in my view, just as it is incapable of doing other things. A typical example for this incapacity is the fact that this government has fully bankrupted major

economic systems since it has taken power, such as the electrical industry, the crude oil industry, etc., and it has done so in a record six-month period.

[Keszeg] Is the embargo consistently observed by the countries that sell oil to us? Would illegal imports be possible?

[Buric] My answer is yes to the first question. There is no absolute embargo in reality, of course. Some secret channels always exist. Thus some illegal crude oil could enter Serbia, but not in sufficiently large volumes to lessen the impact of the embargo. It would be unlikely for Romania and Greece to dare to cause the embargo to "leak," because of loan payment and military considerations. Accordingly, we must not count on certain countries that "like" us, or others that do not.

[Keszeg] Where did the latest shipment come from?

[Buric] From China, moreover in the framework of restricted business transactions not payable in foreign exchange. Even before the embargo a lack of foreign exchange had been one of the main reasons for the inadequacy of oil supplies.

[Keszeg] And what has happened to "our own" crude oil in Angola?

[Buric] That involves 300,000 tons annually, but this volume cannot be brought to Serbia either because of the embargo on deliveries.

The Embargo May Last From Three To Six Months

[Keszeg] For how long could the embargo last, in your view?

[Buric] Contrary to what many others believe, I have a very accurate answer to this question: for at least three months, and for six months at most. If, by virtue of some miracle, they lifted the embargo immediately, it would take at least three months to reinstate the economic conditions that existed prior to the embargo more or less, not including the long-term consequences—certain enterprises have lost their foreign markets forever. A hermetically sealed economy cannot last longer than six months, especially after the beginning of the heating season, the sugar-beet campaign, etc. The impact of the present catastrophe has been lessened only by the fact that it had started in early summer. Politicians—the saviors of the nation—and historians try to encourage people to endure, asserting that in Milos' days Serbia had been victorious in the customs war. But they forget that in those days 98 percent of Serb peasants had purchased nothing but salt and petroleum, and everything else they needed they produced themselves.

[Keszeg] Saddam Husayn's power has firmed up since the Iraq embargo, according to latest reports. Could the embargo lead to a change in regime in Serbia, in your view?

[Buric] I have a certain subconscious feeling that tells me that these conditions tend to firm up Milosevic's power for a while, because the embargo, the coupon system, destitution, and unemployment fully suspend the functioning of the marketplace in this closed society. This has also been proven historically in the Soviet Union by Stalin's assumption of power after the October revolution. We should not believe that toppling Milosevic at any price is the goal of computerized American diplomacy. They could have overthrown Saddam Husayn after all, but they did not. The ultimate goal is to isolate the threat, and to prevent the threat from spreading in Europe. They are less interested in what people do inside their countries' boundaries.

[Keszeg] What do you think, as a member of the Democratic Reform Party of the Vojvodina—are the opposition and the democratic forces of Serbia going to be able to topple those in power?

[Buric] I am a pessimist, and for several reasons. For example, the opposition parties include many university professors who have abstract theoretical knowledge, but they are not practical people; they know less about solving practical economic problems. Unfortunately, many of these professors are also vain. And then, Serbia does not have a classical peasant stratum; the proletariat migrating to the cities wears shoes on one foot and moccasins on the other, and this stratum is still extremely grateful to the Bolshevik power. The opposition's impact in factories and in trade unions is almost insignificant. At the same time, some members of the Serb intelligentsia have changed only superficially and only as a matter of formality, and continue to support the socialist regime.

C-Variant of Gabcikovo Dam System Viewed

Weekly's Critical Assessment

92CH0637A Budapest HETI VILAGGAZDASAG
in Hungarian 23 May 92 pp 7-10

[Article by Janos Karpati and Gabor Szabo: "Dam System Agreement; 'C' as in Carnogursky"]

[Text] *On Tuesday, after much vacillation and missing the deadline set in parliament's 24 March resolution, the administration terminated the 1977 Hungarian-Czechoslovak agreement on the construction of the Bos-Nagymaros dam system. At the same time, a solution is being worked on with unabated energy, according to Slovak claims, that is contrary to the 1977 agreement and to international law as well.*

Prague—In the name of three Slovak ministries, the editors of the SLOBODNY PIATOK sent out invitations to an international press conference to be held this Thursday in Pozsony [Bratislava]. The Bos dam system will be the topic of the meeting. None of the parties that are expected to gain a majority in the approaching Czechoslovak elections indicated any willingness to give up the idea of finishing the building of the dam system in

any form. Should Slovakia secede, they could not change their stand on this issue without a loss of prestige—contrary to their well-known argument that the issue of the dam system "must not be changed into a political issue," i.e., having been liberated from communist rule, it should now become a professional issue. If Czechoslovakia—obviously at the expense of constant compromises—remains united, it is questionable whether the Czech leadership can afford a confrontation with the Slovak leadership. However, after jumping on the bandwagon of nationalism, neither Carnogursky nor Mediar—the two hopeful candidates—can afford to "abandon" their voters who expect the completion of the construction that is considered a symbol of Slovak strength and autonomy.

The intensity of the Czech-Slovak debate is indicated by the fact that in the hours following the 14 May Prague cabinet meeting which resulted in an offer in connection with the trilateral Vienna conferences, the Slovak prime minister made a statement that the construction of C-variant will continue. There are indications that the Slovak partner would not abandon C-variant even after termination, and it is also indisputable that in connection with the latter, Hungary could take only legal and diplomatic action; the effectiveness of which is questionable. Consequently, certain (Czecho)Slovak-EC relations would cool which—if the country remains united—would doubtlessly annoy an unwillingly suffering Prague. This would put a burden of new tensions on the relations between the two parts of the country.

However, it would have made no sense to set up a defense against the implementation of C-variant—if it can be financed at all—by arguing for the completion of the dam system's construction in accordance with the original plans. For it is uncertain whether the unilateral termination of the 1977 agreement would prompt the Slovaks to build C-variant. Even before the termination, this law-defying construction work was in progress at full speed and now after the termination, the Czechoslovak argument that the variant plan is needed for reaching the original agreement's objectives because it is considered void by the Hungarian partner will not stand. Incidentally, C-variant would be in violation of the law even if the agreement were still in force, for the latter does not include any such solution and all investment projects should have been implemented in accordance with the plan mutually agreed upon.

Since the 1989 suspension of the construction work, Hungary has also failed to live up to its commitments but it was prompted by the recognition that this was the only way to avoid an ecological emergency situation. Ferenc Madl, minister without portfolio, stated a few months ago that "A country cannot be obligated to honor an agreement that would threaten 45 percent of the population with a shortage of drinking water." In such an instance both international common law and the draft agreement of the UN's Committee on International Law recognize the termination of an agreement as the means for protection against dangers. In addition, unilaterally

diverting the Danube would be in violation of the 1956 Hungarian-Czechoslovak border agreement which states that the riverbeds that constitute the border shall be left as intact as possible and that any change in the natural flow of the water may only be carried out with the agreement of both parties.

The termination of the 1977 agreement is solid proof of a lack of such common will. The 1976 bilateral border agreement also requires mutual agreement on changing any condition of border waters and states that flowing waters may only be used in both countries in such ways that do not cause any damage to one another. However, from Hungary's standpoint, the dam system would have precisely such an effect.

In addition, C-variant would change the characteristics of the border, i.e., violate Hungary's territorial integrity. One change would be that a 40-kilometer section of the Danube's main line of navigation—which has been the border between the two countries since the Trianon Peace Treaty [Paris, 1920]—would end up in Slovak territory. Moreover, by depriving a country of most of the water it is entitled to—and Hungary would be entitled to only half of the water output at the joint section—would also contradict the written regulations of international common law.

The Czechoslovak standpoint is the opposite of all this. Ludek Krajhanzl, chief of main department of international law of the Czechoslovak Ministry of Foreign Affairs, told the correspondent of the HETI VILAG-GAZDASAG that they contend the 1977 agreement cannot be unilaterally terminated. Because, he says, termination is not mentioned in the agreement itself and, on the other hand, it cannot be inferred from the text's inner logical connections either whether the partners wished to include this possibility at the time of signing the agreement. It would make no sense for the Czechoslovak partner to offer this possibility to the Hungarian partner who would then be relieved of its obligation of compensation, whilst Czechoslovakia has progressed further than Hungary in the construction work as specified in the original timetable. Thus, in Krajhanzl's opinion, the 1977 agreement cannot be terminated on the basis of Article 56 of the 1969 Vienna Accord, which summarizes the regulations on international agreements.

He did not question the dam's construction affecting the environment either. But he claims that the partners' basic premise at the time of signing the agreement was that the project's positive aspects were more significant than the negative ones. Czechoslovakia continues to think that the environmental consequences would not be catastrophic. Therefore, if Hungary claims the opposite, then it must provide the evidence. Of course, the concept of a fundamental change of circumstances is a broad one and, in case the partners cannot come to an agreement on it, they should take advantage of all possible mechanisms that international law offers in order to find a solution to the disagreement, said Krajhanzl.

The legal dispute about the change of state border characteristics is a problem that can be made only partly independent of the terminability of the agreement. Krajhanzl claims that the 1977 agreement included the provision that the Danube's main line of navigation would be moved to the channel through the construction work but the Czechoslovak-Hungarian border would remain in the old bed of the Danube. Through a mutual agreement, each party exercising its sovereignty, and with no subsequent questioning by the great powers that guaranteed the 1947 agreement; the two parties in 1977 modified the clause of the 1947 agreement that regulated the border issue, namely, that the Danube's main line of navigation shall constitute the border between the two states. The main Czechoslovak argument in support of C-variant is that it would allow them to implement the objectives of the 1977 agreement—which have been “sabotaged” by the Hungarians for a while now.

The argument continues that, as it unilaterally stopped construction work on its side, the Hungarian party, by terminating the implementation of the 1977 agreement, was in violation of the law. The C-variant—which, in view of the precise line of the Danube's diversion, indeed does not exactly correspond to the plans of the original agreement—is now the only viable solution that can be implemented by Czechoslovakia in its own territory in order to carry out the original plans, said Ludek Krajhanzl, concluding the conversation.

This overview of the chronology of bilateral talks makes it clear that no progress has been made since last April and that an agreement on the basis of the old agreement was highly unlikely. The Slovak prime minister had absolutely no authority at those talks to stop the construction work, and it was the Hungarian Government that proposed last December that a trilateral international committee of experts should be set up, the findings of which it would consider. Its condition was that in the meantime the Czechoslovaks stop the construction work. The partner did not agree to that at that time and then last week it presented a distorted version of this as a new element; namely, that if the Hungarian Government would accept the proposals of the planned committee, then Prague would “consider” suspending construction. Since—according to Minister of Foreign Affairs Dienstbier's post-proposal interpretation on Monday, published in the NEPSZABADSAG—the results of the inquiry would not entail mandatory compliance, it is evident that this is in essence merely an action to win the sympathy of western diplomacy. This is proven by the fact that at week's end, i.e., a few days after refusing to stop C-variant, Carnogursky, in his letter to Ferenc Madl, expressed his willingness to talk without mentioning anything concrete. The main point was that a copy of this manifestation of Slovak “flexibility” was also sent to the EC committee in Brussels.

Following the termination, the two countries must talk with at least the present level of intensity. Yes, talk, but what about? As early as 20 December 1990, way before the emergence of C-variant, the Hungarian Government

decided to initiate talks with Czechoslovakia on the mutual termination of the 1977 agreement and on making a new Danube agreement that would reflect the priority of ecological considerations. Its partners were informed of this intention on 9 January 1991 by the government commissioner of that time who assured them that he would present the concept of the new agreement by mid-February.

In his Tuesday speech in parliament, Ferenc Madl also mentioned Hungary's intention of signing such an agreement; however, the concept promised for last year has not been prepared to date. On the other hand, the Slovak partner has already presented the C-variant, on standby since 1990. Now the question is whether international law and diplomatic pressure as well as the appeal of the aforementioned concept—which hopefully will sooner or later be drawn up—will prevail against the steadfast insistence on building the dam system. If those who claim that C-variant is merely a substitute plan—not only because it would replace the original plan but also because it would be unsuitable for prolonged operation—are right, then this issue may be resolved; perhaps in the not-too-distant future, in accordance with the law and common sense.

Investment Enterprise's View

92CH0637B Budapest HETI VILAGGAZDASAG
in Hungarian 23 May 92 p 8

[Interview with Jan Oblozinsky, deputy director of a Czechoslovak investment enterprise, by Gabor Szabo; place and date not given: "Masterpieces of Creation"]

[Text] *The so-called C-variant—of which Jan Oblozinsky, technical vice president of the Czechoslovak investment enterprise, said on Monday that the construction work is not likely to be suspended for the time being—is a bit too lively for a paper tiger. His subsequent statements were confined exclusively to technical issues.*

[Szabo] How long have you been working on C-variant?

[Oblozinsky] In June 1989, after the Hungarian partner suspended the construction work at Dunakiliti, we began working out the alternatives for completion, and the C-variant seemed to be the least poor of all the poor ones. At the end of that year we also did some earth-moving work and then, in our confidence in the success of the renewed talks, we discontinued that—while the engineering work went on—and construction was resumed last October. Construction is being done exclusively on Czechoslovak territory in a way that will allow us to eliminate our substitute plan in case the system originally planned will be carried out after all.

[Szabo] How far has the work on C-variant progressed?

[Oblozinsky] We have already installed three turbines, two more will be installed by year's end, and next year we will start up all eight at the Bos power plant. Their water flow capacity is 500 cubic meters per second. By running

600 of the Danube's average water supply of 2,000 cubic meters to the Danube's old riverbed, with the rest of the water we can produce almost 2 billion kilowatt hours of electricity annually. Today's tariff is 1 koruna per kilowatt hour, which will soon be increased to 2 korunas. Thus, the substitute plan that costs almost 4 billion korunas would pay for itself in one or two years and, in addition, the total investment of 24 billion—calculated at the present 8 percent—would not go unused. Filling up the reservoir may take place in October.

[Szabo] Do you think that running 600 cubic meters of water to the Danube's main riverbed would be sufficient?

[Oblozinsky] Our enterprise also considered the 50 cubic meters specified in the 1977 agreement insufficient, and we requested scientific studies from the Slovak Ministry of Water Management's Water Research Institute, which in turn called upon the Academy and the School of Science, Pozsony University. Their finding was that C-variant would not cause any damages either in the underground water table or in the environment that could not be repaired. According to these studies, a minimum of 600—but, depending on the seasons, occasionally 1,200—cubic meters must be let into the Danube's old riverbed. The natural riverbed has deepened during the last 20 years by an average of 1.5 meters, causing the silted tributaries that stayed at the same level and the area's woodland to begin drying out. We must save these. C-variant would make it possible for the water replenishing system to run over an additional 250 cubic meters, which would be sufficient for maintaining underground water balance. Through a device made especially for this purpose, the Moson Danube would be supplied by 20 cubic meters of water per second at times of average water level. At times of low water level, on the other hand, it would not be supplied with water; incidentally, this is the situation at present also. Flood water—in excess of 4,000 cubic meters per second—would also be let into the main riverbed and into Moson Danube.

[Szabo] According to the studies you mentioned, does the silting of the reservoir not threaten the quality of the drinking water that can be derived from it?

[Oblozinsky] We used the PHARE [EC program for the reconstruction of Poland and Hungary] money for conducting extensive research, which concluded that if silting in the reservoir is avoided—and for this purpose we are building diverting dams, causing the water to have a uniform flow because there will be no stagnant surfaces—then a decline in water quality is not to be expected. It cannot be stated with 100-percent certainty that silting will not occur anywhere, but the extent of it will in no way be as much as is claimed by the Hungarians. Should a drinking-water well become silted, subsequent water purification can be accomplished by an investment of a few million [korunas] at the most. That would be negligible in comparison to the expected profits.

[Szabo] Why do you install eight turbines when, in general, even four of them should be sufficient for the given volume of water?

[Oblozinsky] It will not be necessary to operate the turbines at maximum capacity; their performance can even improve because of that. Moreover, it would make no sense to give up the turbines designed especially for the exclusive use in this power plant, for leasing them would cost more than installing them. You are right in that, possibly, all eight of them together may only work 20 days a year at full capacity.

[Szabo] The construction of C-variant is progressing at full speed, you have spent 300 million a month this year, but you are contracting work for June in the amount of 450 million korunas. Would the termination of the 1977 agreement affect your timetable?

[Oblozinsky] Anything can happen. Our enterprise is under the supervision of the Slovak minister of water management. He assigned us the task of starting the operation of the Gabcikovo power plant and ship lock in accordance with the substitute plan. This is what we contracted with Hydrostav, which subcontracts with more than a hundred firms, including the Austrian firms Keller Grundbau and Hausherr.

[Szabo] Let us suppose, for a moment, that work is completed at Dunakiliti in accordance with the original plans. Would you be willing to lose so much money with your substitute plan?

[Oblozinsky] The money would not be lost, for in that case the construction could be used as a bridge. Of course, it should then be carefully thought through where traffic should continue from the bridgehead that ends exactly at Dunacsuny.

[Szabo] But if you plan to keep the dam that is under construction anyway, why do you insist on completing the work at Dunakiliti? For, according to plans, from Dunacsuny on, the ships would go in the connecting channel for industrial water anyway.

[Oblozinsky] This is true, but the substitute plan would make the reservoir's area 40 square kilometers, while the dam would make it 60 square kilometers. The additional volume of water would make it possible to produce electricity a few more hours a day or to continuously operate more turbines and, thus, the investment would pay for itself more rapidly.

Environmentalist's View

92CH0637C Budapest HETI VILAGGAZDASAG
in Hungarian 23 May 92 p 9

[Unattributed interview with Janos Varga, founding member of the Danube Circle; place and date not given: "Our Current Affairs"]

[Text] *From the aspect of environmental protection, there are no significant differences between C-variant and the*

dam system as specified in the original plans, says Janos Varga, founding member of the Danube Circle. He thinks that, in view of the expected ecological damages, the 1977 agreement should have been terminated a long time ago, and that C-variant is unacceptable because it violates the law.

[HETI VILAGGAZDASAG] Is it possible to prevent the Danube's unilateral diversion, i.e., C-variant, which is under full-speed construction—and contrary to the law?

[Varga] I think the impression that the Slovak contractors of C-variant are determined to the end originated from the Hungarian Government's long-time failure to take the necessary countermeasures. In April 1991, Parliament called upon the administration not only to try to terminate the agreement on the dam system through a mutual agreement but also to initiate a new agreement that reflects the ecological priorities. It is known of Minister of Environmental Protection K. Sandor Keresztes that he would not oppose the completion of the dam system. His most recent interview was published in Gyor's KISALFOLD on 11 May, in which he says that building nothing "would be a good solution, only it would not provide an answer to the question as to what will happen to the Danube. Those who insist on building forget that leaving the river on its own will not produce any more water in Csallókóz and Szigetköz." What the administration should have presented was precisely a proposal to solve that problem—one that could be discussed at all.

[HETI VILAGGAZDASAG] Is the absence of such a proposal the reason for the advanced stage of C-variant?

[Varga] I think a peculiar assigning of roles developed here. Let us begin with the fact that, as early as last summer, K. Sandor Keresztes participated at a confidential meeting with ministers Vavrousek and Tirpák, which was followed by Vavrousek's invitation and his argument before the three parliamentary committees in support of the repeal of the aforementioned April 1991 resolution. That was unsuccessful, and the Slovak builders responded by beginning to divert the river unilaterally, the idea of which was proposed in 1924 by an adviser of Prague's Ministry of Public Labor. However, the Hungarian Government failed to protest for a long time against the violation of the bilateral agreement on border waters. Instead, the water lobby of Szigetköz sounded alarm, claiming that C-variant is a ecological catastrophe that is even worse than the completion of the original plans would be, even though this—i.e., the second half of this statement—is not true. Yet, this is what the portfolio of environmental protection supported. And to date, the administration has hesitated in terminating the 1977 agreement.

[HETI VILAGGAZDASAG] The fact that, for the first time, the Budapest administration displayed a decisiveness, seemed to cause confusion in the Czechoslovak federal—and the Slovak—government. But even if the international forums would side with the Hungarian

party, is it worth bringing the issue to an open confrontation if there is a chance for negotiations?

[Varga] Negotiations are necessary but the 1977 agreement must be terminated. It is possible to state in the knowledge of the technical planning that C-variant was invented to force the completion of the Dunakiliti construction. This temporary solution is unsuitable for running off both the ice and the serious flood waters. In addition, as no lock is being added, it also fails to meet the international navigational safety requirements. In addition, had Hungary succumbed to the blackmail, then, over and above the fact that it should have born all expenses and damages, it could not even protest against it.

[HETI VILAGGAZDASAG] The most advantageous solution would still be not to implement C-variant at all, and perhaps there could be a chance for that, had the Hungarian party accepted the Prague government's proposal....

[Varga] Prague did not promise a halt on C-variant during the talks, it was only willing to "consider" it. On the other hand, I fail to understand the optimism of those who think that the trilateral committee of experts will decide by a majority vote on how one or another variation of the dam system will affect the fauna and flora, the ground water tables, and navigation. It is hardly possible to decide this way on scientific truths. However, we cannot expect a consensus; we saw this in the summer of 1989 when such a committee—true, it was only bilateral—was set up and then both parties insisted on their own standpoints. We also saw how the Slovak government makes use of scientific statements. The science committee which it set up in early 1990 presented its final conclusion: "The industrial water channel should only be used as a safeguard against floods, and repair work on the dikes on both sides of the Danube should begin as soon as possible and without the startup of the dam"—which is considered as nonexistent by the government that was democratically elected and that soon will come to the end of its term.

SZDSZ's Rapprochement With MSZP Scored

92CH0684A Budapest BESZELO in Hungarian
16 May 92 pp 38-40

[Article by Gy. Laszlo Toth: "The Dangers of Leftism"]

[Excerpt] *Let's face it: BESZELO is basically a party organ, continually preoccupied with the internal problems of the SZDSZ [Alliance of Free Democrats], our critics were saying last fall. "BESZELO is finally showing its true colors as a genuine party organ: It keeps silent about the internal problems of the SZDSZ," was the charge leveled at us by our critics this spring. Presumably, the article below will provoke many different reactions. We cannot, nor do we wish to avoid engaging in a debate, for in the final analysis the real question—i.e., whether the SZDSZ should be opening up toward the MDF [Hungarian Democratic Forum] or the MSZP [Hungarian Socialist Party]—pertains to the political opportunities*

that will be available to Hungarian society in 1994. We should make only one—albeit important—comment before moving on to Laszlo Gy. Toth's article: the decision does not rest solely with the SZDSZ. The government coalition and the prime minister himself are working hard to draw a definite distinction in Hungarian political life between Left and Right, hoping to eliminate even the possibility of occasional crossovers. The MSZP has not been nearly as receptive to the idea of cooperating with the SZDSZ as one would assume judging from its position of isolation. The appealing option of going with the third party, the FIDESZ [Federation of Young Democrats], will only partially solve the dilemma.

Who Is the Enemy These Days?

A significant segment of the SZDSZ's old leadership, made up of former members of the so-called democratic opposition, today views the political Right as its main enemy. Hence it feels justified in advocating the establishment of some kind of a people's-front-like, leftwing coalition to stand up to what it considers to be a homogeneous Right. They talk about extreme rightwing, fascist threats, attributing all of the—otherwise real—dangers threatening the Left to Dr. Antall's salami tactic. Anticommunism, in their opinion, has become a thing of the past.

The constant shifting of positions, and the blurring of concepts are aimed to serve real political purposes. So perhaps it is worth making clear at the outset that anticommunism, populism and the fact that someone may be a member of the MDF are three, completely independent matters. Naturally, these attributes may be used simultaneously to describe a single individual or group, but to state that every anticommunist is by definition also a populist is naturally an untenable position. Moreover, in light of our historical past, no one needs to be ashamed of having been both an antifascist and an anticommunist. Quite to the contrary.

So one faction of SZDSZ politicians is heading toward the left. According to Tamas Bauer, the SZDSZ can only challenge the government and must erase from its vocabulary such concepts as compromise, consensus, etc. In the 1 May issue of BESZELO, GMT [Gaspar Miklos Tamas] stated that he was most definitely in favor of political cooperation with the MSZP. According to Gyula Horn, GMT also does not question the legitimacy of the MSZOSZ [Federation of Hungarian Trade Unions]. This means that even sacrificing the Democratic League of Independent Trade Unions and the Workers Councils is not inconceivable in the interest of fostering good relations with the MSZP. And this represents a drastic departure from the SZDSZ's earlier position.

Quite conceivably, one of the reasons behind the declining popularity of the SZDSZ has been its gradual shift toward the left. Evidence of this is seen in the fact that it has abandoned its earlier commitment to a radical

system change; that it has become more moderate; that it has broken with its anticommunist rhetorics, etc. Under the circumstances, continued rapprochement with the MSZP and its ally, the MSZOSZ, may obviously further reduce the appeal of the party among those who object to the fact that despite the radical phraseology it had used during the election campaigns, the SZDSZ has failed to take the lead in the struggle for a radical system change.

In my opinion, the rational segment of Hungarian society still does not view the MDF as the sole source of all of our society's problems. The majority of the populace is quite aware of everything it "owes" to the former system and its ardent supporters.... We should mention here one of the conclusions drawn by the Hungarian Gallup Institute from the data it had collected in its January public opinion poll, according to which of all the opposition parties, it is the supporters of the SZDSZ who are the least critical of the government's policies. This obviously is an indication that the old leadership of the party has probably failed to assess the situation properly, and while waging a struggle to halt the advance of the government parties toward the right, it has failed to recognize that there are also other processes at work in our society that may constitute an equally serious threat to democracy, and may be of equally serious public concern.

MSZOSZ, League...

One such process is the possibility of a traditional leftwing bloc evolving that may become a rival or an ally of a left-oriented SZDSZ. In assessing the situation of the Hungarian Left it is unavoidable to look at its relationship with the trade unions. It is a telling commentary on the depth and intensity of our system change that three years after the fall of the communist or state-socialist systems we still have an organization—the MSZOSZ—which essentially is a direct descendent of the Leninist-Stalinist trade unions. Particularly noteworthy is the fact that the apparatus running its structure as a whole has remained essentially intact. By virtue of its mere existence, this trade union has blocked the evolution and growth of democratic trade unions. Today the MSZOSZ will even take on parliament if its interests so dictate. It is by no accident that the newly formed trade unions of the former communist countries have met in Gdansk to take a joint stand against cooperating with the former communist or crypto-communist unions. The final communique calls on all democratic governments to effect the redistribution of "the wealth and possessions of the former communist-controlled monopolistic trade unions." Included among the signatories was the Democratic League of independent Trade Unions. In certain circles today it is fashionable to talk about the renewal of the traditional trade unions, particularly of the so-called branch unions, which curiously enough are headed mostly by individuals who had belonged to the party apparatus of the former regime. I am convinced that the new Hungarian parliament has missed the opportunity of taking a timely stand against the Leninist trade unions in the interest of promoting the rise of new, democratic

unions. As early as June 1990, the SZDSZ had recommended to parliament that it reestablish the use of mandatory declarations to ensure the automatic deduction of trade union dues; initially, parliament tabled the matter, only to adopt it a year later.

In today's situation the forces of the left are in dire need of the MSZOSZ's support. Obviously the renewed partnership between the MSZP and the MSZOSZ has been facilitated by a rediscovery of their common past, personal relationships, and overlapping organizations. Given the country's economic and social situation there is a particularly great danger that a new alliance of interests opposed to modernization may be forged, led by the MSZP, made up primarily of people employed in industries targeted for closure or modernization, and of the dogmatic, leftwing trade unions. If we also consider that the declining standard of living has given rise to nostalgic yearnings for the credit-fueled, drab security of the Kadar era, then it becomes increasingly clear that a significant new political force is about to emerge in the near future. This trend is further bolstered by the mistaken notion that the Nemeth government had been made up of real experts, who changed into the colors of the MSZP are eagerly awaiting the call of the nation. From the point of view of what may be about to happen, it will not be to their disadvantage that the former reform communists—i.e., today's socialists—have successfully preserved their ability to exert influence, preserving their powerful positions. It was the danger of such a conservative leftwing bloc evolving that Gyula Teller has warned about in the SZDSZ. This kind of a traditional, leftwing alliance of interests can obviously count on the support of the beneficiaries of the former system, as well as on the backing of other emerging leftwing, national movements that are not averse to engaging in social demagoguery.

Two Camps?

In Hungary presently there is no sense in talking about a Western-style political Left, for the emergence of such an entity has been greatly hindered by the existing Left, which has a known reputation. So when certain circles in the SZDSZ say (for whatever reason) that they are ready to espouse the MSZP as their tactical ally, then what they are looking at is the existing Left.

But what consequences can possible further drifts toward the left by the SZDSZ entail?

Alliance with the MSZP may lead to a split within the party. For such a step would constitute such a drastic departure from the anticommunist rhetorics and radical political style of represented by the party in 1989-90, that for most of the dwindling membership it would hardly be acceptable. Making acceptance and understanding even less palatable is the fact that these two completely different political directions have been represented by the same individuals. How could one be expected to understand the members of the Liberal Conservative Union suddenly deciding that henceforth

it will ally itself with Csaba Hamori, Mrs. Koos (Magda Kovacs) or the former people's democratic communist, Tamas Krausz, who is now an advocate of self-managed socialism, and thus of collective forms of ownership.

The proponents of rapprochement with the MSZP are convinced that the parties of the government coalition constitute a unified rightwing, antidemocratic, and in some respects pseudo-fascist bloc that can only be countered by a united opposition and thus cooperation among the forces of the Left. The advocates of this view are drawing exaggerated and generalized conclusions from undoubtedly real and disturbing phenomena, ignoring the fact that among the parties of the government coalition there are also several different views asserting themselves simultaneously.

Any attempt to create an artificial divide in Hungarian society and political life between a nationalist and unfit Right, on the one hand, and a European Left opposing it, on the other, is politically harmful and unacceptable. Such would be a choice between a national-Christian coalition and the MSZP, led by Gyula Horn. The majority of society would probably reject such a narrow-minded, biased mentality. The specter of being governed by the pseudo-fascist Right is just as unacceptable to most people, as would be opting for a leftwing bloc, which having abandoned the notion of dictatorial socialism, now offers an incompatible blend of democratic socialism and liberalism.

In connection with the existing Left, Peter Tolgyessy has recently said that the most important task facing the SZDSZ was to convince people that it was capable of governing. Of all the opposition parties the MSZP has been the most successful in projecting such an image. Hence it must be considered a potential rival.

In the interest of building an open society and fostering democracy, the central leadership of the SZDSZ must take a decisive stand against attempts to artificially divide our society—or to pit those who have already been divided against one another—irrespective of what political aim or motivation there may be behind those aims. Making the rotation of political power possible is in the national interest, which is precisely why the SZDSZ must transform itself into an open, tolerant, democratic and sovereign civil party that is capable, at any time, to form a coalition offering a liberal (social liberal) alternative, without the MSZP and the MSZOSZ. The phraseology, political style, value system and reactions of these two organizations are still hauntingly reminiscent of the dark past.

A New Third Course

In the present situation it would be more important than anything for the SZDSZ to establish close ties with the FIDESZ. An alliance between the two parties—i.e., between a pragmatic-liberal FIDESZ and a social-liberal SZDSZ—would signify the birth of a strong political center, capable of ensuring the success of modernization efforts, while at the same time able to stand up to

attempts of various shades of the political spectrum at restoring the political past. Just as the gentry-Hungary of the Horthy era is an unacceptable model for us to follow, so is the pink-colored system of the late Kadar era. In light also of the multitude of views represented within the government coalition, the real stake in the 1994 elections may be the very viability of a civic Hungary.

The current leadership of the party and a significant segment of its membership is at somewhat of a loss in trying to stake out its place under these new set of circumstances. They would rather not be members of a small liberal elitist party, yet at the same time they also do not feel comfortable with social democratic ideals. In this situation probably the only way for the SZDSZ to remain an important political force is by proving that it is capable of renewing itself, of reconciling liberal and social values, and vocally promoting social values. The SZDSZ will not be able to break with its own past without dramatic consequences. Hence for it to become a viable force to contend with, it must be able to convince a significant segment of society that it is a social-liberal party, not associated with the Left, which stands simultaneously for modernization, liberal democracy, a system of civil values, as well as for a completed and radical break with the past. It will only consider to be its adversaries those, who oppose modernization, ignore human and civil rights, and for whom tolerance, pragmatism and social sensitivity are merely unnecessary frills of democracy. Everyone else it will view as a fellow citizen of our nation, who may be a potential ally in helping to build and defend civil democracy.

Troika, Independent Republics Meet To Set Goals

Decisions Seen as Platitudes

92CH0627A Budapest *FIGYELO* in Hungarian
21 May 92 p 26

[Article by "sovári": "The Message of the Munster Conference: Somewhere Else Next Year, on the Same Subject"]

[Text] For the first time, the economic ministers of the Seven Industrial Nations, the Visegrad Three, and four republics of the former Soviet Union held a conference in Munster. They agreed to confer together once a year from now on. In the following, we publish excerpts from the final communique issued in Munster.

1. The participants acknowledged that the transition to a market economy has reached different stages of development in different countries and that some of them, especially the Czech and Slovak Federation, Hungary, and Poland, might already be qualified to pass on their experiences and give advice and technical help, particularly in the matter of privatization to other countries that are still at the beginning of the reform process. At the same time, the participants acknowledged that the experiences of developed market economies can be applied

with appropriate modifications within the countries undergoing reform, and that a realistic time frame is required for the transition.

2. The participants emphasized that in the operation of market economies the most decisive factor is the freedom of decision exercised by individual enterprises, while the function of the state is to ensure a general framework for economic activity. A solid macroeconomic framework means a great deal from the perspective of the conditions surrounding the activity of a private economy.

An urgent transformation of the economic framework is needed; monopolies must be liquidated and privatization must be carried out. These steps, in turn, will promote autonomy in the management of corporations, initiatives by individual companies, and corporate responsibility. It is important to foster the establishment of a category of small and medium-sized companies.

3. The key issue in the development of an economic system based on market economy is the transformation of military production to civilian production. International cooperation on the corporate level would facilitate this transformation. Complete information must be submitted in order to enable the potential partners to assess the economic possibilities of companies with a military profile.

4. The participants emphasized the importance of bringing export goods from countries undergoing reform to the market, including even sensitive products. They also underscored the usefulness of steps such as trade preferences and regional free trade agreements. The representatives of the countries undergoing reform agreed that regional trade links must be maintained on the basis of free trade, that they must avoid the introduction of trade barriers in dealings with each other, and that they must seek out means to increase the level of trade within their region.

5. Bearing in mind the observations of the representatives from the business world, the participants determined a few key areas in which to promote private investment and they agreed that the application of the following principles and recommendations would increase the trust and interest of investors in the countries undergoing reform:

a. A favorable climate for investments must be guaranteed in which the processes of investment are determined by market forces. Foreign investors must receive fair treatment without discrimination, and this treatment must not be less advantageous than the one domestic competitors receive. The prescription of performance requirements must be avoided. Transfers of funds in connection with investments must be guaranteed. Finally, the complete convertibility of currencies must be ensured.

b. A secure and sound legal framework must be created by means of the adequate protection of investments, which will include patents for intellectual properties; the availability of arbitration by a third party must be made possible; the efficient execution of agreements must be guaranteed; and, should confiscation have occurred, an immediate and appropriate guarantee of compensation must be given.

c. The entrance into a market must be encouraged by the provision of reliable and comprehensive economic data, as well as by the creation of lucid and stable trade laws. There is a need to actively foster business relations and to simplify the licensing of investments.

The participants agreed to continue the process of consultation begun here and, together with the representatives from the business world, to reexamine within a year how much progress has been made in areas covered at the Munster conference.

Entrepreneurs' View

92CH0627B Budapest FIGYELO in Hungarian
21 May 92 p 26

[Article by "sovári": "Entrepreneurs' View of Munster: Conditional Growth"]

[Text] The Hungarian delegation to the Munster economic summit, led by Bela Kadar, counted among its members Robert Kassai, the deputy president of IPOSZ's [National Association of Trade Guilds] Chamber of Hungarian Craftsmen, and Gabor Szeles, president of GYOSZ [National Association of Manufacturers], who gave the opening address at the section on international relations. Kassai and Szeles related their experiences a few days ago, from the point of view of entrepreneurs, of course, since both of them are, in "civilian" life, entrepreneurs.

According to Robert Kassai, the foremost lesson of the conference is that only the combined forces of the administration and the private sphere will be able to make a success of the transition to a market economy. The determination of priorities, and the creation of an adequate economic environment, is the state's task, but the implementation is left to the principal actors in a market economy, the entrepreneurs. A fundamental prerequisite for Western technological, educational, and other aid is the establishment of a system of guarantees for investments, a well-functioning system of banks and insurance, and a solid system of private ownership and law and order, because investment means a long-term commitment.

A market economy is oriented towards growth and not towards recession. For this reason, Robert Kassai thinks the most important message he has to give to those directing economic policy is this: One needs today not just a shift of emphasis in economic policy, but rather a change of emphasis altogether, i.e., the support of the private sphere and the acceleration of privatization must

be not only a matter of words, but must also be apparent in the entire system of economic procedures. In his opinion, it is the task of the business federations to apply pressure to the government in the direction of growth. Finally, he added that in Munster it was obvious that the most advanced countries gave particular attention to Hungary, for he perceived countless signs of their interest there.

Gabor Szeles, president of GYOSZ (and of Instrument Technology, Inc.), did not see such great advantages for Hungary, and he "decoded" the message of the conference in a different way, as well. In his opinion, the coming year will be decisive, at the end of which the achievements will be evaluated at another conference. In his opinion, we could most effectively counter a considerable setback to Hungarian industry by concentrating on the development of regional programs that would be both acceptable to, and could be financed by, the Western countries. In his opinion, our region will be characterized by an insular type of development, and for this reason a network of industrial centers should be established. In Hungary, the first such island could be Szekesfehervar and its environs (negotiations are already underway with American and Japanese firms), followed by the areas of Miskolc and Ozd. A similar objective was voiced for Ljubljana, Zagreb, the Moravian industrial area, Kiev, and, from Russia, Zelenograd, Voronez, and Zaporozje, all three of which were locations of secret military bases, but could be converted for civilian purposes.

His plan was greeted with great interest in Munster. According to Gabor Szeles, the main problem is not a lack of money, but rather the scarcity of rational projects which the developed countries would gladly invest in. However, a prerequisite for this is the establishment of an infrastructure for business, which, in turn, is being greatly hampered by the delay of legislation on, for example, telecommunications and concessions.

All of the above suggests that the entrepreneurs and their business federations are less and less satisfied with slogans and vague formulations; they ultimately expect from the government real actions and measures that would boost entrepreneurship. Let us add, however, that we hope they know that first of all the prerequisites for growth must be created, and that they will not apply pressure to the government to promote growth at all costs. In other words, we hope that both parties understood the message of Munster correctly: The most advanced countries are prepared to help in the successful implementation of the transition process, but the appropriate framework must be established first, and we must inspire their confidence that the reform politics of a market economy will indeed be put in practice in the long run.

Economic Acceleration, Privatization Plans Viewed

*92CH0707A Budapest HETI VILAGGAZDASAG
in Hungarian 13 Jun 92 pp 7-9*

[Article by Ivan Lipovecz: "Economic Acceleration Program; Go for It!"]

[Excerpts] The government is preparing the foundations for economic growth. To this end, it is discussing the program of work to be accomplished during the second half of the year. Those who submitted proposals are not lacking in ideas, but the dilemma of "money, horse, and weapon" [i.e., who will supply them; historical quotation] seems to be unsolvable.

[passage omitted] In mid 1992, the Antall government is being forced to make a move. After its successes in foreign policy, it must show what it can achieve at home: what it can do about the unemployment of half a million people and the further decline of the economy, about the population's uncertainty concerning its future subsistence, and about how much of the reorganization of the foreseeable and basically inherited chaos it can undertake.

It must have been this realization, among other matters, which led the prime minister to ask one of his confidants, Otto Hieronymi, to form a Working Committee on Economic Strategy, and start a think tank within that framework on where the economic policy which had been formulated earlier now needs correction. Though the composition of the working committee turned out to be a little too narrow—each member was chosen from among MDF [Hungarian Democratic Forum] politicians in office or from the immediate surroundings of Jozsef Antall—the mental exercise was begun and by the end of March it even produced the first document ready to be evaluated. The "only" change in the course of events was that Hieronymi's role in leading the team was taken over by Tamas Szabo who at the beginning of the year was promoted from political undersecretary of the Finance Ministry to privatization minister without portfolio, and who presumably added his own political ambitions to the pot as well, while assembling the report entitled "Government Action Program To Create the Conditions of Enduring Economic Growth."

At the end of last week, the holders of ministerial portfolios were allowed to become acquainted with the work, which turned out to be 44 typed pages long, and the final elaboration of which was authorized by the government at its 10 May meeting in Lovasbereny. Tamas Szabo did not leave the ministers much time to form an opinion: He requested their comments—if possible agreement—by Monday noon, in order to submit his action program to the government. The work is consciously in favor of growth; it does not deal with the question of what the government should do directly to stimulate the economy, but rather how, with what methods, the—allegedly existent and abundant—resources could be made available to the largest number of people so that the economy can start on a "new course of growth." (Incidentally, not only Tamas Szabo's elite group has been thinking about this, lately even in public, but also economic committees of the MDF under various names, as well as representatives of the party's parliamentary faction who can be regarded as experts in the matter.)

These resources—and in this respect there seems to be a consensus among the various competing ideas—are basically the following: the population's savings "idling" in the banks, amounting to 800 billion forints; Hungary's foreign currency reserves, amounting to just about five billion dollars; foreign help to develop the infrastructure, thought to be virtually unlimited; and, last but not least, income from privatization, which has normally been used up to now to repay state loans and stop the gaps in the budget.

The opinion that the budget deficit is "not a national tragedy," as Industrial Minister Ivan Szabo formulated this during a lecture he held last week, has already been voiced by Finance Minister Mihaly Kupa (who is, by the way, less than thrilled by the plans for acceleration), when on his return from the meeting of the IMF and the World Bank in Washington he announced that the budget deficit could amount to 4-5 percent of the GDP, i.e., to twice the planned amount. And now, barely 10 days before the arrival in Budapest of the experts from the International Monetary Fund, one can hear the opinion that the IMF is interested not so much in concrete figures as in "the program and the trends."

The present trend in the sphere of real economic activity—production, investment, and consumption—is declining further. The tone of the government's action program is: Time to wake up! Time to grab idle capital by the horns, stop the process of bankruptcy, accelerate the development of the market economy with the help of institutions and organizations created by the state, supply money to those yearning for property, and sweep the so-called artificial stumbling blocks out of the way of enterprises—the first and greatest public enemy number one being high interest rates, that is to say, expensive credit in spite of the extraordinary abundance of money in the banks.

However justifiable the numerous objections by opposition politicians and by independent economic experts may be (HETI VILAGGAZDASAG 23 May 1992), and however justifiable their fear—at times not without political calculation—that a hastily determined program of acceleration might endanger the results which have been achieved so far, the fact is that the government has no other choice than to try to interfere in the course of events. The 1992 budget "flew away," the inability of the country's economy to produce income is manifest, and the end to the recession postulated for this year by the Kupa program does not seem to be happening. If all of this were occurring at the beginning of a parliament cycle, the people in office, braced with the moral and political ammunition of newly won elections, would have sufficient time and the necessary frame of mind to endure the problems, manage the crisis in a cool-headed manner, and perhaps gradually adopt new "training methods." Now, however, they feel that time is running out, the opponents are growing stronger, and the audience's sympathy is diminishing, so they have to resort to using drugs which are admissible—or are thought to be admissible. The big question is, do they know how much

the drugs cost, and, more importantly, will there be enough doctors to administer them, carefully checking the mechanism of their influence?

Indeed, there are numerous international examples of states not completely abandoning branches of industry in a crisis: They lend a helping hand to exporters, give support in establishing a livelihood, and so on. However, inherent in such transformations conducted from above is the fact that the one who pays is not the one who orders the song, but the one who writes the music. It is now up to the government to find a pocket to dig into, because there is certainly nothing to find in its own.

[Box, p 9]

Keep an Open Hand!

According to the directives on property policies which were recently submitted to parliament, this year the government expects an income of 57.6 billion forints from the privatization of the state-owned sector of production, but only 24.3 billion forints of this income can be, as it were, "freely disposed of." This income will supposedly be applied to corporate development, the creation of new jobs, and the bailing out of companies in trouble, in order to provide a foundation for economic growth; however, all that appears as such is not corporate development. "In 1992, state guarantees in connection with privatization will necessitate a reserve fund of 7 billion forints," because, for some reason, so far the State Property Agency has already spent 3.5 billion forints on the Hungaria Insurance Company, 1.4 billion on the Szabadegyhaza Alcohol Plant, 1.3 billion on the Centrum Department Stores, and so far nobody knows how much on Lehel [Refrigerator Factory], the Carbonic Acid Works, or the Angyalfold Car Repair Works. It is difficult to understand why it is necessary to spend even 2 billion forints of the income from privatization to create State Trustee, Inc. when the 1992 state budget law has already earmarked 2.5 billion forints of the budget of the State Property Agency for a roughly similar task. The 10 billion forints that have been planned as an increase in the capital of Hungarian Investment and Development, Inc. are only designed to turn the company into an investment bank, so that the state could govern the expected acceleration of investments with preferential credits by this bank and its two regional branches. Another recommendation that has been rehashed recently, to free banks from their questionable outstanding accounts by creating a so-called credit consolidation fund is, as yet, unfinished. Not so the recommendation of a Guarantee Fund for Small Enterprises, about which the government will supposedly make a decision this week on its own authority, although once the state budget law, which was passed three weeks ago, is finally published, only parliament will have the authority to do so.

It is indisputable that institutions guaranteeing enterprise credits would be beneficial for the development of small and medium-sized enterprises. It is also a fact,

however, that as a result of "loyal" loans, within a year the State Savings Bank [OTP] has amassed about 25 billion forints' worth of dubious outstanding accounts. The institution of loan guarantees does not mean automatic loans; according to the plans it only means that if an entrepreneur cannot receive a loan for his otherwise acceptable ideas because he is unable to provide security for the loan, this duty will be assumed for him for a 1- to 4-percent guarantee fee.

It seems that the creators of this plan were unable to make a recommendation for a system of guarantees which, in January, was still envisioned as self-financing, but rather they stood in line where the new spoils, income from privatization, are being divvied up. "The source of the Guarantee Fund for Small Enterprises is a certain percentage of the income from privatization, determined by the prevailing Directives on Property Policy," it says in the proposal submitted to the government, apparently based on the ideology formulated by Ivan Szabo during a conference last week: "After the transformation, the state damn well better insure that the owners of villas on Rozsadomb [a prosperous neighborhood in Budapest, where many Communist Party officials lived] and entrepreneurs who have no security for a loan have equal opportunities in the privatization of state property."

So far it is not known which system of guarantees will ultimately be chosen by the government. At the beginning of May, Gyula Takacsy, MDF representative and chairman of the parliament's economic committee, suggested in one of his proposals for the modification of the privatization law to make the vehicle of comprehensive loan guarantees a "specialized bank"; last week, however, the Economic Cabinet decided that it should function as a stock company, so that the law on banks would not have to be changed.

Incidentally, Loan Guarantee, Inc., would only guarantee 10 year credits for subsistence, privatization, development, and the financing of floating assets up to the amount of 100 million forints, to be granted to small and medium-sized enterprises with fewer than 300 employees, as well as credits to be granted in the framework of the Employee Partial Ownership Program (MRP). The guarantees would not exceed 80 percent of the amount of the loan. According to Gyula Takacsy's idea, the state would in turn guarantee up to 80 percent of the guaranteed amount—up to 70 percent according to the Economic Cabinet—from a so-called Guarantee Fund for Small Enterprises, to be established in the future.

World Federation of Hungarians Chief in D.C.

92CH0694A Budapest MAGYAR NEMZET
in Hungarian 14 May 92 p 3

[Article by Janos Avar: "Sandor Csoori Among Hungarians in Washington; We Need a New National Ideal and Unity"]

[Text] Washington—"The Hungarian nation that has lacked a real homeland and has not been itself for 70 years is in need of a new national ideal," Sandor Csoori told several hundred American-Hungarians from Washington and its vicinity. In his speech delivered Tuesday evening, and in the course of a question-and-answer period thereafter, the chairman of the World Federation of Hungarians [MVSZ] stressed that from a nation that had always been forced to side with others for centuries, 10 million individuals are now able to mold their destiny "without supervision," and thus their responsibility is also special. But "even though we are free of Soviet rule, we have not been freed from our own nightmares," Csoori said, and regretfully added that "we have not complemented each other, but divided ourselves." Therefore, Csoori felt that however necessary democratic development may be, "democracy should not have been made the first goal among the action priorities" in our homeland, "instead, the first priority should have been to clarify our own identity." And since the "purifying event of self-realization" has failed to materialize, the political and emotional crisis is far greater in Hungary today than the economic crisis, according to the poet.

The Reverend Imre Bertalan, one of the leaders of the American-Hungarian Coalition established to lobby in the interest of Hungary, warmly greeted Sandor Csoori, who visited Washington as part of a 10-day trip. Ambassador Pal Tar also attended the presentation. Csoori arrived at the capital from New York; he will continue his trip visiting Hungarians in Cleveland and in Los Angeles, while preparing for the world meeting scheduled to take place in Budapest in August. Csoori took advantage of this opportunity to convey his thoughts to Hungarians abroad about the present and the future of the nation; his statements were not limited strictly to the tasks of the MVSZ, even though he described those, too. In any event, Csoori felt that since the stormy election of the MVSZ leadership in December he had traveled to many places and recognized "good signs" indicative of joining forces. He expressed hope that the third world meeting of Hungarians, which can now be organized more than 50 years after the previous meeting, is going to produce a "great turnaround." "Unlike a novel or a cathedral, a nation is never complete; it continues to build itself." And the Hungarian people had "something to say to the world" during the dictatorship and even after 1956; these messages manifested themselves in endeavors to achieve reform and in the form of an evolving opposition sentiment. Thus it is even more regrettable that in the past "three tumultuous years more souls had been assassinated than analyzed"; Csoori believes that the intelligentsia engaged in political discourse is primarily responsible for this dislocation. The intelligentsia should not have reached for power, but instead should have led the nation out of its historical dead-end street. Csoori condemned those who suffer from an "ideological night-blindness," people who did not understand that Hungarians could not be mobilized for any political task as long as the national goal

remained unclarified. Today the achievement of national unity is the main task, rather than pressing to find out "who is a Hungarian from Mucsa, and who is a Jew who betrayed the nation." This is why a single, basic thesis would have been necessary. Responding to a question, Csoori expressed regret over the fact that "some in the opposition consciously deprecated national sentiments."

"This is regrettable in East Europe in particular, where the nation has no alternative. And where new states come into being after the disintegration of Yalta, many wish to glue together and gild the old frames." Csoori stressed that there was no difference between Hungarians living within the borders or outside the borders, and even if the borders established by peace treaties cannot be discontinued, everyone can do so "inside, within himself," because the Hungarians of the northern highlands and of Transylvania "belong to us, spiritually." In Csoori's view, the new national ideal, the ideal of a certain "mosaic nation," could be patterned along the example set by the Greeks, who lived in city states yet

were able to create a nation. To accomplish this, the MVSZ chairman described certain symbolic plans, as for example the construction of (Makovecz's) Hungarian House at Verecke (reminiscent of the house in Seville that was national in character) (jointly with the Ukrainians and with a common skiing paradise), and in five or six more places within the Carpathian basin. For the world meeting of Hungarians in 1996—to coincide with the Budapest World Exposition—they are planning to publish quite a few works summarizing our historical and cultural achievements, as well as an encyclopedia and a breviarium, television programs transmitted by satellite that can be received "from Lithuania to Israel," as well as a grand meeting of students and entrepreneurs. Csoori believes that "our relations with Europe should not be of primary concern, instead, of primary concern should be our relationship with ourselves." In Csoori's view, the several hundred million inhabitants of this region, their several decades long adventure which hopefully will create great cultural values, will, in the end, alter the view of Europe itself.

Controversy Surrounding German Minority Viewed

92EP0476A Warsaw *TYGODNIK SOLIDARNOSC* in Polish No 21, 22 May 92 pp 1, 7

[Article by Dariusz Grzywaczewski: "I Am a Silesian"]

[Text] The Social-Cultural Association for the German Minority in Silesian Opole estimates that Germans make up 25 percent of the Opole Voivodship's population. This would mean that there are more than 300,000 Germans living there, but reality is not quite what the German association's representatives would like it to be. A whole 40 percent of the potential Germans are far from enthused about becoming part of the minority.

Does "Silesian" mean "German"? Certainly not for the people living in Silesia. A Silesian is simply a Silesian, and nothing more. But the question of whom he favors, Germany or Poland, is an entirely different issue. A Silesian can be "a German a little bit," "a Pole a little bit," German, or Polish. For him, such criteria do not exist, or at least they certainly do not affect him. To use the adjectives "Polish" or "German" does not define one's nationality but reveals which sort of order and culture he is in favor of, but not tradition anymore, because he has his own, the Silesian culture.

For Poles, the word "Silesian" has a whole broad range of connotations: from the myth of the Polish quality of Silesia developed out of the Piast tradition and memories of the Silesian uprisings to the picture of a soldier in a Wermacht uniform. It is different for our western neighbors, for whom a Silesian is a German without any doubt, inasmuch as Article 116 of the Basic Law of the FRG guarantees German citizenship to Silesians. On the basis of this article, people born within the borders of the Reich prior to 31 December 1937 have the right to German citizenship. This law applies to spouses and children as well. It was undoubtedly the basis for drawing up the list of Germans in the Opole Voivodship. This is also probably the reason for what at the moment is rather a great difference between the hypothetical number of Germans and the actual number of members of the minority.

Is such a calculation therefore justified? It is hard to say, but it illustrates very well the essence of the problem itself: How to establish who in this whole hodgepodge is actually a Silesian, a German, or a Pole. What sort of criteria should be adopted in terms of ethnicity, culture, and faith?

Ethnic Criteria

German settlements in Silesian Opole date back to the 13th century, according to Ryszard Donitza, chairman of the Social-Cultural Association for the German Minority in Silesian Opole, but for the sake of accuracy we must add that these areas were initially inhabited by the Silesian tribes: the Slezans, Goleszyces, and Dziedoszes. After the creation of the Piast state, Silesia found

itself on the borders of it. The area was later ruled by the Czechs, who settled colonials from Western Europe. Among them there were Germans, Walloons, Flemish, and Jews. In the 16th century, the Habsburgs ruled Silesia, and in the 18th century, the Prussians took it over.

This area owes its special characteristics to the continual changes in the country to which it belonged and the infiltration of various cultural, political, and economic influences. More than to any nationality or state, Silesians are bound to the land on which they live. This is undoubtedly also the reason for the sense of strong ties within their own group. Everyone else is an outsider. The person's nationality is not important. What is important is that the person is not "one of us."

As Rev. Emil Szramek, the prewar sociologist, expressed so poetically, the Silesian is "an individual, with, by virtue of long infiltration or national residence, a dual national aspect; a person not without character, but an individual with a bilateral character."

Cultural Criteria

The time has passed when people wrote about the "uncontrovertible Polish-ness of Silesian culture." Such a formulation is basically wrong. One can speak of Polish influence, but the whole should be viewed rather in terms of a border phenomenon. Silesians have their own culture, in which many elements come in contact. Sometimes it is even difficult to say what the origin is.

There have been feuds over Silesian customs for many years. Politics, of course, was the underlying motive of these quarrels, and the disputes were foolish, because culture cannot be simplified by putting it into a category.

Strong tradition is also visible in the fidelity to the dialect, which two-thirds of Silesians use. There is no doubt that it is a Polish dialect that, although strongly Germanicized over the centuries, has not lost its own original character. On the basis of this, we can add that even during the period of the greatest Germanization, during the Kulturkampf, a whole 60 percent of Silesians considered Polish to be their native language.

Now there is an entirely different phenomenon, the denial that the dialect has any connection to the Polish language, but this attitude stems more from obstinacy than from any solid reasoning. When the dialect was ignored and efforts were made for many years to have the dialect abandoned in favor of the literary language, the results ran contrary to the intended effect.

The language and the Catholic faith as opposed to Protestant Germany would appear to indicate bonds with Poland, but this by no means permits us a unilateral interpretation about the nation to which Silesians belong. There are other criteria too, but they all point to the fact that we must talk about Silesians in autochthonic categories.

Autochthon

An autochthon is a person who belongs to the native population of a given area. This is exactly the status the Silesians have given themselves. Of course, there are also ethnic Germans living in Silesian Opole. Nobody is trying to deny this fact, but the group is not a large one. It numbers in the dozens and some thousands, inasmuch as most left this area back during the war or right afterward. The question therefore remains as to why the majority of native Silesian inhabitants declare themselves to be members of the German nation, inasmuch as ethnically, culturally, and religiously they have as much in common with Poland as with Germany.

Two Pictures

There are two diametrically opposed pictures operating in the general consciousness of Silesians, those of the Pole and the German. The latter is a positive one. The first one is at best neutral. Where does this come from? Silesians have no historical awareness. They are not very interested in higher education, because they can legally have a job in the FRG. Their education usually ends with elementary school, which up until recently did not teach history at all. For this reason, their knowledge, which was based on what they learned in the family, was restricted mainly to the history of local society and prewar times. There is usually a positive view of their German past, alongside a negative view of life in Poland.

Silesians remember perfectly all the injustices inflicted on them after the war: the compulsory verification, the break-up of associations, conflicts with the immigrating population, which considered them Germans and ejected them from their farms, regarding the land to be compensation for the losses suffered in the East. The Silesians are bitter over the decline in Silesian culture and over Polonization, and they remember that similar things happened before the war. Between 1933 and 1936 all the Slavic-sounding geographic names were Germanicized, and the same thing was done with surnames in 1937, but the Polish injustices are fresher and hurt more, because Poland, in which some Silesians placed their hopes, did not fulfill any of their expectations. What is more, it tried to take their ethnic identity away from them.

Besides this, the choice also concerns a certain cultural order. Silesians do not accept the fact that the Poland to which they came was communist. They place all the blame not on the regime but on the state. In this situation, there can be only one choice when the available options are German order and prosperity, on the one hand, and the Polish muddle, poverty, and injustice, on the other.

A Silesian who declares he belongs to the minority is not a German. With a little good will, he will become one. The Social Cultural Association is to help him with this. As the representatives of the minority say, it is a question of evening out the distance between German culture and

Silesian culture. This is to be done by popularizing German culture and language.

In other words, "joining" the minority is not access to the German nation but access to prosperity.

German Minority

"Ethnic Germans certainly belong to the minority," says Miroslawa Soldra, of the Silesian Institute in Opole, "but the overwhelming majority consists of Silesians who have defined their origins as German. There are also paradoxes. In some instances the minority even took in families of the foreign population that had nothing in common with Germany. It simply happened that whole villages signed up, and they were included along with the rest. The strangest thing is that they were accepted. This is probably because the minority does not set up any clear criteria for determining who can become a member."

"We do not ask people to present proof of their German origins," says Ryszard Donitza. "An oral declaration is enough for us. This is the way it is in other European countries, and that's the way it should be here too."

The minority has actually been operating since August 1989, when declarations of nationality began being collected. At that time, just under 200,000 signatures were collected. Many say that they expected to receive immediate material benefits when they signed the list. Is that really what happened? It is hard to say. There are many unconfirmed rumors in circulation. There is also a story about canceling a billion FRG marks of Polish debt and replacing it with Polish currency allocated for the needs of the minority in our country.

Since 1989, the Social Cultural Association has done a great deal to extend German culture in Silesia. It is useful merely to recall the network of completely stocked Germany libraries, the 260 schools teaching the German language, the technical assistance for hospitals and health centers, the trips to the FRG for practical training and experience, and the German instructors teaching in Silesian schools.

The minority will soon have several schools with the mother tongue, that is, German. Polish will be treated as a foreign language.

"Is German the native language of Silesians?" I ask.

"That is poor reasoning," Ryszard Donitza says. "German is the mother tongue of the German minority. Anybody who is a member of it is German."

In Gogolin

One of the few Polish schools in the Opole area before the war was here. Now Gogolin is the minority center for all of Silesian Opole. Most of the town's inhabitants are members. The streets are kept up well. The stores are clean. People in line at the bus stops talk... in Polish. No German is spoken at all. Remnants of German culture?

One of the shops has a sign in Gothic script. Another is called "Der Welt." In front of the shop, I strike up a conversation with a man carrying the newspaper under his arm.

"So you're a German?" I ask.

"No," he answers instinctively.

"Do you speak German?"

"No, not really."

"So, why the German newspaper?"

"For my son. He's studying German."

"And you are a member of the minority?"

"I..." he responds slowly.

"What is your nationality?"

"Me, I'm from Silesia. And if you want to call it by another name, like Schlesien, it's all the same to me."

"It's true that not all our members speak German," Ryszard Donitza says, "but you have to remember that they couldn't learn that language in school, so they spoke a dialect. It's not surprising that they're coming to the courses we've set up. These are adults. For them, learning a language takes great effort. But everything will soon change." Donitza goes on. "We're geared to the young people. We're seeing they have everything they need. Costs? Well, if you include all kinds of assistance, then you have to talk in the millions of FRG marks."

"Where does the money come from?"

"Mainly from members' dues. We also receive subsidies from the German consulate. The dues are 500 zlotys [Z] per person per month," he says insistently. "So we should probably change the order in listing the sources for maintaining the minority."

A Dish, a House, and a Car

It is safe to risk saying that Silesians—this does not mean just members of the minority—owe their prosperity to the Germans. Because of their legal right to a job in the former FRG and, until recently, the tremendous difference between earnings in Poland and in the West, Silesians are far better off materially than the rest of the population. It is not difficult to tell where Silesians live. Usually there is a house painted white, surrounded by a lawn and gravel paths, often with a German car and a satellite dish antenna. All of this is a deceptive reminder of pictures from southern Germany: neat and clean, with a high standard of living, not far from a Silesian's place, which is also neat and clean, except that instead of a lawn, there are rows of radishes, and instead of the Mercedes, there is a compact car several years old.

The Silesian "mountaineer" will become increasingly wary that he might be pushed into the role of people working for the local Germans, who have great capital.

These Silesians are also afraid that German Industry will expand or that Germans will keep buying up Polish plants in Opole Voivodship.

To Remain Oneself

Each person has an inalienable right to choose his or her own country. If the majority of the Silesians living in Opole Voivodship have decided that their fatherland lies beyond the western border, that is their private matter, and the right to human freedom prevents anyone's questioning or undermining this decision. The oft repeated statement that Silesians have betrayed Poland is absurd and incomprehensible.

For the above two reasons, joining the minority must not be viewed in terms of cowardice or betrayal. They have chosen between two forces trying to win them over, and the Germans won? After all, people today are usually guided by utilitarian values. Therefore, today they are thinking it would be better to change nationality in exchange for prosperity than to be condemned to the uncertainty of tomorrow.

Privatization in Foreign Trade Examined

92EP0496A Warsaw RYNKI ZAGRANICZNE in Polish No 62, 23 May 92 p 6

[Article by Maria Olszewska: "Qualifications for Sale: Privatization in Foreign Trade"]

[Text] *The different nature of privatization is in the domain of foreign trade, which is also interpreted as lagging behind what is already very slow privatization in the Polish economy as a whole, due chiefly to the different situation of the enterprises engaging in foreign trade.*

To most of the 26 state foreign trade enterprises to which the Privatization Law can be directly applied, the parent agency is the Ministry of Foreign Economic Relations. As for the other roughly 40 companies specializing in foreign trade, they cannot avail themselves of this simple road. Only the provisions of the Commercial Law Code can be applied to them. In addition, the Ministry of Foreign Economic Relations avails itself of the rights of an owner of shares which it can use as it wishes.

As argued by Piotr Misiuna, coordinator of the Foreign Trade Privatization Task Force at that ministry's Economic Department, such a legal situation is causing considerable problems and, in view of the danger that loopholes in the Commercial Law Code may be exploited, it may be a cause of abuses violating the interests of the State Treasury.

The Ministry of Foreign Economic Relations, although empowered to decide on the privatization of the enterprises under its jurisdiction, does not act in this respect quite on its own: All decisions are taken in cooperation with the Ministry of Privatization, chiefly because the latter is vested by the Privatization Law with suitable powers concerning state foreign trade enterprises. A

coordinating task force headed by the deputy ministers of both ministries has even been established. It was also to be supported by the Council for Privatization, consisting of experts, both practitioners and academics. For some time now, however, both bodies have suspended their activities, which of course was bound to influence the pace of privatization.

At the Ministry of Foreign Economic Relations, however, the prevailing belief is that any of the enterprises under its jurisdiction can be privatized, even though the methods and pace of privatization may and even have to be differentiated.

The Rich and the Poor

These are the big government agencies for foreign trade. Their fixed assets usually are small, but the know-how, contacts, and qualifications of their personnel are highly valued. Another asset is, e.g., company name, which figures as a symbol on foreign markets.

Such large trading enterprises as Stalexport, Impexmetal, and Rolimpex, which prosper in domains of strategic importance to the economy, should not be fully privatized when viewed from the standpoint of interests of the state budget, and they themselves are in no hurry to be. Given their high profit margins, they can afford to pay even high taxes on the ceiling exceeding salaries of their personnel, and not to worry about their future. In such cases the ministry prefers partial privatization, in which it would retain a controlling block of shares, or a blocking, that is, a minority share that is sizable enough to influence major decisions. Impexmetal is still exploring the best approach to its privatization; it still has not selected a consulting firm, and for the time being it is making efforts to form joint ventures, etc. Stalexport has already a privatization study on hand, but it is in no hurry to submit it.

The other three of the six state foreign trade enterprises specializing in trade in economically strategic goods are in a weaker position. Varimex has submitted a privatization study, while Polservice and Marko are not yet doing anything about it.

On the other hand, rapid changes are needed for nearly 20 state enterprises servicing foreign trade. Within the ministry they are termed "perishable merchandise," owing to the growing number of competitors in their domains of activity, which requires more decisive action. This concerns chiefly several enterprises from the Hartwig network, about 15 Polcargo branches and also, e.g., Polexpo and Agpol.

So far two enterprises have been privatized on the principle of leasing agreements (employee-owned companies): Polcargo Szczecin and Polcargo Warsaw. Several other leasing agreements, e.g., for Polcargo Gdansk and Hartwig Warsaw, are being drafted. Polcargo Malaszewicze is to be put under receivership. Polcargo Laboratorium will be sold (announcements have already been published). As for the fate of Hartwig Katowice and

Hartwig Gdansk, that will be decided by the Ministry of Privatization. Here the changes are slow but beginning to acquire impetus.

Life Is Stirring in the Companies

The greatest differences in approach to privatization concern foreign trade companies. The first to be privatized was Universal, followed recently by Elektrum, and still more recently by Budimex—each in its own way, with Elektrum's way said to have been calm and professional. Its sale took place by means of a public offering and its stock began to be traded on the securities exchange, where it is getting good quotations. As for Budimex (or properly speaking, one of its two companies into which it was transformed as part of its restructuring), 42 percent of its shares was sold to a United States company which pledged itself to cooperate in procuring good contracts, and 11 percent was set aside for the employees and management—an operation that has not yet been completed. In the case of Budimex, privatization was applied to only part of the enterprise. In the company formed from its other part, Budimex Trading, 51 percent of capital stock remains owned by the state (including a well-situated office building on Marszałkowska Street in Warsaw).

Of the other companies the ones whose privatization is most advanced, or actually already are in the process of being sold, are: Paged, Labimex, and Metronex. For example, the sale of Paged has already been advertised in the Press, among others in THE FINANCIAL TIMES, and is expected to be consummated within the next couple of weeks. Other companies have either commissioned privatization studies (and there are several, such as Agros, a joint stock and holding company, Baltona, and Bumar) or already submitted such studies to the Ministry of Foreign Economic Relations (about 10 companies, e.g., Animex, Ciech, Navimor, Polimex-Cekop, Polmot). Several others, including Minex, Pezetel, and Unitra, are still looking for consulting firms to advise them on privatization.

A special situation has arisen at Skorimpex, where the shareholders at a general meeting resolved to increase the capital stock. The then present representative of the ministry did not claim the ministry's right to be the first to purchase shares in that increased capital stock, and as a result, the block of shares owned by the ministry shrank to 6.4 from 51 percent.

But the most worrisome are the companies which exist in a difficult financial situation following the decline of the industrial subsectors they represent in foreign trade. This concerns chiefly the foreign trade companies representing the textile and garment industries. Torimpex, which traded in a broader range of merchandise (also including cosmetics), has declared its bankruptcy. So did Tricot, which after reaching a high profit margin last year, this year contracted a debt exceeding its capital. This also applies to Textilimpex, which has for a long time now been battling financial problems. In situations

such as these, in which the recession of an industry drags along downward the foreign trade enterprises catering to that industry, there is a vital need for government assistance and for developing a sensible program for so-called zone restructuring.

A Time for Education

At Textilimpex a restructuring program was drafted, but it is meeting with a mistrustful response from the banks. That is because, like the other participants in the privatization process, banks are not yet coping with the new situation, with the attendant trends and factors. Yet the fate of the banks is closely linked to that of their numerous bankrupt customers in such places as, e.g., the textile city of Lodz. The banks must calculate whether it will pay them to accept the risk of financing even not quite convincing company recovery programs or whether to refuse to grant loan extensions or additional loans and thereby to forfeit the opportunity of recovering the loans already made.

Similarly, decisions to put under receivership poorly performing enterprises are not being taken hastily. Receivership, a consequence of bankruptcy, has so far happened to only Torimex and Dal among the foreign trade companies. In the case of other announced "liquidations" [receiverships], actually that was merely an unfortunate legalistic choice of name for carrying out restructuring and privatization by first liquidating the old structure.

As noted above, privatization is meeting with resistance in foreign trade enterprises. On the one hand, not all of them welcome it, with some being reluctant to entrust their affairs, and especially trade secrets, to specialized consulting firms whose role they underestimate while at the same time being unable to cope with new problems on their own. On the other hand, the enterprises welcoming privatization complain about the passivity of government officials who protract excessively the handling of privatization proceedings.

At the same time, the Ministry of Foreign Economic Relations points to the existence of apprehensions ("a burned child dreads the fire") in a situation in which privatization, especially that of foreign trade, is viewed by certain segments of society as a practically criminal activity. The readily made accusations of, e.g., sell-off of national wealth to foreigners, and for pennies at that, cause the responsible officials to be particularly careful and verify everything repeatedly before placing their signature on such documents. Besides, it is not unlikely that this has its plus side as well—perhaps this is precisely one of the effects of the greatly needed education about the difficult processes of privatization.

Statistical Report on Employment Situation

92EP0469A Warsaw RZECZPOSPOLITA
(STATISTICS OF POLAND supplement)
in Polish 7 May 92 p 2

[Main Statistical Office report: "The Country's Economic Situation for the First Quarter of 1992"]

[Text]

The Job Market

The number of those employed in the national economy at the end of March 1992 was about 16.0 million persons, including about 1.2 million that worked outside individual agriculture; that is, respectively, 0.3 percent and 0.4 percent more than at the end of 1991.

It is estimated that the number of those employed in the public sector was about 7.2 million persons, which decreased by about 0.2 million persons (2.9 percent) in relation to December 1991. However, in the private sector outside individual agriculture, this number was 4.8 million persons, and increased by 0.2 million persons (5.7 percent). The number of those employed in the private sector outside individual agriculture increased from 37.9 percent at the end of last year to 39.9 percent, including in the former private sector from 25.6 percent to 27.9 percent.

In the first quarter of 1992, the number of those employed in transportation decreased by 3.8 percent, in the communal economy by 2.6 percent, in agriculture by 1.0 percent (including outside individual agriculture by 7.4 percent), and in forestry by 0.7 percent. The number of employees in communications grew by 1.3 percent, and in construction and business each by 2.1 percent. The number of employees in industry did not change.

The average number of those employed (in economic units with more than five employees) in the first quarter of 1992 was, according to estimate, 9,098,700 persons, and was 9.0 percent lower than in an analogous period of 1991, and 1.8 percent lower in relation to the fourth quarter of 1991. Average employment in the enterprise sector was 6,211,700 persons, and was 10.8 percent lower than in an analogous period of 1991.

At the end of March 1992, the number of unemployed recorded at the work offices was 2,238,400 persons, and, compared with the end of 1991, it increased by 82,800 persons (that is, by 3.8 percent), while in January, the number of recorded unemployed increased by 74,500 persons, in February by 33,300, while in March, for the first time since registration was introduced, it decreased by 25,000 persons. This was influenced by the introduction of new regulations changing the criteria for registration of the unemployed and limiting the authority to select the type and quantity of work. As a result, there was less interest in registering at the work offices. Also begun was a procedure for striking from the record unemployed persons, who lost the unemployed status from the power of the new regulations. The number of

recorded unemployed not having the right to work increased from 18.6 percent in March 1991 to 21.0 percent at the end of December 1991, and to 27.4 percent in March 1992.

In March, compared with February, the number of recorded unemployed decreased in 28 voivodeships, while it was formed at a lower level than at the end of the year in 11 of them (for example, by 17.8 percent in Lublin, 12.9 percent in Radom, 11.6 percent in Bialystok, 9.0 percent in Gorzow, and 8.8 percent in Zielonogora voivodeships). In three of these voivodeships, unemployment fell only in March, and in six of them, in February and March. Only in Bialystok voivodeship, the number of recorded unemployed decreased in all months of the quarter, while in Włocławek voivodeship, it decreased in January and March. In 18 voivodeships, unemployment was observed to increase in all months of the quarter. In Krakow voivodeship, the number of unemployed at the end of March was 36.3 percent greater than at the end of last year, in Łódź—17.8 percent greater, in Opole—12.7 percent greater, in Kielce—10.6 percent, in Szczecin—10.0 percent, and in Częstochowa—9.1 percent.

At the end of March, unemployed persons, who were recorded at the work offices, made up 12.2 percent of the professionally active civilian population. The degree of unemployment fluctuated from 5.0 percent (Warsaw Voivodeship) to 20.9 percent (Suwałki Voivodeship).

At the end of March, a relatively large number of the unemployed, that is, 24.1 percent, were persons laid off for reasons concerning the work establishments. That was 5.2 points more than in an analogous period of 1991 and 1.0 point more than at the end of 1991. About 2,200 work establishments declared immediate layoffs of nearly 124,000 persons.

The portion of high-school graduates in the ranks of the unemployed decreased from 11.6 percent in the first quarter of 1991 to 10.4 percent in December 1991, and to 8.8 percent in March 1992. However, their number at the end of March was 42,600 persons greater than a year ago, and reached 196,000 persons. The most numerous group were the graduates of basic schools and middle trade schools (168,400, or 85.9 percent of the total unemployed graduates).

Those with a basic trade-school education and those with no higher than an elementary-school education predominated among the unemployed. The portions of these unemployed groups at the end of March was 37.7 percent and 31.2 percent, respectively (in March 1991, 36.8 percent and 31.3 percent).

The average age of an unemployed person was 31.5 years and was close to the average age in the first quarter of 1991 (32 years), while somewhat higher than noted in December 1991 (30.8 years). Most of the unemployed were between the ages of 18-24 years (32.1 percent of the total unemployed), and between the ages of 25-34 (31.1 percent).

The number of job openings announced by establishments was 27,200 at the end of March, which was 18,600 lower than in March 1991, and 1,900 lower compared with December 1991. Eighty-two unemployed people applied for one job opening (143 women and 56 men). The number of unemployed for one job opening was nearly three times higher than in an analogous period of 1991.

During the first quarter, 128,900 unemployed persons found jobs (103,000 in the first quarter of 1991). At the end of the quarter, 16,300 persons were employed in intervention jobs (34,500 in the first quarter of last year), while 1,900 persons trained for a profession or qualified for a new job (5,200 at the end of March of last year).

In January-March 1992, 5,751 strikes were recorded (4,427 of these in February), in which about 461,000 workers took part. These were almost exclusively all-Polish protests lasting several hours (aside from strikes in the airline branch, which lasted about two months). Loss of work time by virtue of participation in the strikes was about 396,000 days (in the first quarter of 1991, 73 strikes were recorded, and loss of work time was about 151,000 days).

The strikes occurred mainly in education (5,058), industry (404), and transportation (237). Altogether, 44.7 percent of those employed in the units where the strikes occurred participated in the strikes, including 75.6 percent of those in education, 43.5 percent in industry, and 9.8 percent in transportation.

Rebuilding of Elblag-Kaliningrad Highway Planned

92EP0502C Poznan WPROST in Polish
No 21, 21 May 92 p 46

[Article by Krzysztof Grabowski: "Slashing the Arteries"]

[Text] In March, Father Mieczysław Józefczyk, a mitred prelate, who came to Kaliningrad as a member of the official delegation from the Elblag Voivodship, said mass for the Poles. There are 20,000 Poles living in the surrounding area, and 4,000 live in Kaliningrad itself.

"And more and more people say they are of Polish origin," asserts Jan Pleszewicz, director of the Economic Development Department in the voivodship office in Elblag.

But the Elblag-Kaliningrad road is to be rebuilt not only for the Russian Poles. The citizens of Elblag want a road to run through their area joining the "Baltic Hong Kong" with West and North Europe.

Hitler built the road during the 1930's; it was to join Krolewiec [Kaliningrad] and Berlin. Czesław Krzywicki, deputy director for the District Public Roads Directorate in Gdańsk, remembers that years ago, he noticed near the Wisła the traces of excavation along a successive

stretch of the superhighway. After the war, the "Berlinka" highway was cut by the state boundary, and since, during wartime activities, three bridges over it were destroyed, it became a road leading to nowhere. True, from time to time the Elblag authorities demanded that it be rebuilt, but the planners did not take them seriously. The Kaliningrad Military District was highly militarized and tightly sealed by the Iron Curtain. It was not necessary to rebuild the superhighway for the party secretaries to raise toasts and shake hands with their comrades from their allied party.

The situation changed when the Soviet Union collapsed and the Kaliningrad Military District obtained the special status of an economic zone. The tax privileges caused not only the Russians but also the Poles to be interested in Kaliningrad. The citizens of Elblag felt the wind in their sails: The road to Kaliningrad stopped being a road to nowhere. And besides the road, customs depots, warehouses, motels, and gas stations were needed, as well as a large border crossing, with the highest international standards, in Grzechotki-Mamonow. The officials of the Elblag Voivodship drew up a plan for the development of a new business zone in Europe. The axis of this business zone was to be the Elblag-Kaliningrad road.

The citizens of Elblag caught the attention of the Ministry of Transport, the Swedish ambassador, and the officials of the Blekinge district and Karlskrona—the Swedes were to finance the study. Most importantly, the authorities of the Kaliningrad Military District were interested in the opening to the West. It finally happened that the agreements on cooperation were not only signed, but even implemented, to which both sides pointed with pride. At the beginning of last year, the Poles, the Swedes, and the Russians from Kaliningrad signed a letter of intent regarding the rebuilding of the superhighway. Zdzislaw Olszewski, voivodship governor of Elblag, and Oberg, the Swedish ambassador at that time, applied for credit with the Economic Development Bank to finance the project.

And so, we have letters of intent, agreements, studies, and tasks. Only money is lacking. Director Czeslaw Krzywicki estimates that initially we need about \$10 million.

If we have the money, we will also have the design engineers and the construction personnel. Eighteen firms interested in participating in this work have already contacted Jan Pleszewicz from the Voivodship Office in Elblag. Czeslaw Krzywicki from the District Public Roads Directorate must reply to the highway construction enterprises that they will have no orders for them this year.

Consequently, some people are planning to build the north-south superhighway. But it will lead from Turkey in the south. If the money was available, a plan would be prepared over the course of a year, then the long, narrow construction site would be divided into segments and

several enterprises would be engaged. Director Pleszewicz estimates that in two years the first automobiles would be traveling this road.

"The superhighway would be 7.5 meters wide and would have two shoulders, each one a meter in width," says Krzywicki.

Route E-7 is seven meters wide and has two-meter shoulders. The "Berlinka" was of superhighway standard 60 years ago, but today it is a superhighway in name only. The height and width of highway structures do not meet today's standards. In order for these standards to be met, the road would have to be rebuilt completely, at a cost of 20-30 billion zlotys per kilometer.

The citizens of Elblag perceive their superhighway to be the last section of road from the west of Europe. There, however, regional and national interests are clearly at odds with each other.

"Poland will not concede to the building of a superhighway from Germany to Kaliningrad," said Ewaryt Waligorski, minister of transport and maritime management during talks there. The political reasons for this position are obvious. But economic considerations also play an important role. Connecting Hamburg with Kaliningrad by means of a high-speed highway would further diminish the already weak position of Polish ports. Some experts say quite simply that the construction of such a link spells death for our ports, which are obsolete technically and have little potential for container transshipment. The latter would complete their sea voyage in Hamburg and from that port the entire cargo would travel by highway transit to the West, and the role of Polish ports would be limited to local transshipment.

Due to these considerations, recently the talk has been rather of a Gdynia-Kaliningrad route. It is stressed that this route would constitute an important element of highway connections of the Baltic states. For the world does not end in Kaliningrad; the road could lead further—through Lithuania and Latvia to Estonia.

Recent Statistics on AIDS Reviewed

92WE0516A Warsaw *SLUZBA ZDROWIA* in Polish
No 19, 10 May 92 pp 6-7

[Article by Wanda Szata: "AIDS in Poland and Worldwide"]

[Text] According to the most recent data, in Poland at present there are 87 people stricken with AIDS, 42 people who have died of AIDS, and 2,074 people who are infected with AIDS. The first case of someone's being HIV positive was diagnosed in Poland in 1985 and the first case of AIDS was recorded a year later. In the years that followed more cases were diagnosed: by 31 January 1992, a total of 87 cases was recorded (1986—1; 1987—2, 1988—2; 1989—24; 1990—21; 1991—35, and January 1992—2). Initially, primarily homosexuals and

bisexuals were infected, but since 1989, persons of both sexes who used drugs intravenously have been infected. Of the fatal cases, 78.6 percent have been homosexuals and bisexuals.

Among those stricken, men predominate numerically (79 men and 8 women). Except for one woman, who was infected through heterosexual contact, the women are all intravenous drug users. Going by decades, the largest number (29 patients) is from the 30-39 age group.

At the time of the AIDS diagnosis, in most cases (78), opportunistic infections were occurring. In five cases, there were opportunistic infections and Kaposi sarcoma, and in individual cases: Kaposi sarcoma, lymphoma, encephalitis, and the other AIDS-related complexes characteristic of the progress of an HIV infection.

Of the 87 people infected with AIDS, 42 (48.3 percent) gave the Warsaw Voivodship as their permanent place of residence. The rest came from the following places: Radom—five; Wroclaw and Zielona Gora—four each; Bydgoszcz, Gdansk, Katowice, and Siedlce—three each; Bielsko and Lodz—two each; and one each from the other 16 voivodships.

Since 1985, when studies on the presence of anti-HIV antibodies were initiated, until 31 January 1992, 2,074 cases of HIV infections were noted among the citizens of our country (from 1985-87—52 people, 1988—59 people, 1989—518 people, 1990—809 people, 1991—562 people and in January 1992—74 people). A marked increase in this number was noted in 1989. Those affected were primarily people who used drugs intravenously. Among them the first HIV infection was diagnosed in Poland in September 1988, when the number of examinations done among people in this group was 2,505.

Thus, in subsequent years, the number of infections noted among those using drugs intravenously was as follows: 1985-87—no people, 1988—12 people, 1989—411 people, 1990—653 people, 1991—402 people, and in January 1992—44 people. This constituted the following percentage of the total number of HIV infections in Poland noted in the following years: 0, 20.3, 79.3, 80.7, 71.5, and 59.5.

The spread in HIV infections among drug users not only increased the number of infections in this group to at least 1,522 (which is the total from 1986-January 1992 data), but it also bore other consequences:

- A change in the proportions of infected women compared to infected men from 1:9 from 1985-88, and even 1:20 in 1988 to approximately 1:4 currently;
- The lowering of the age of those infected with HIV—at present nearly 60 percent are in the 20-29 age range, and another 12 percent are under 20 years of age;
- The birth of children in whom anti-HIV antibodies are present, which means the future occurrence of a certain number of children infected and ill with AIDS;

- The presence of intravenous drug users among blood donor candidates; in 1989, there were 23 such persons among a total number of 47 serologically positive blood donor candidates, and in 1990 there were 17 such persons from a total number of 39.

Who Was Tested?

From 1985-90, 4,800,763 tests were performed to determine the presence of anti-HIV antibodies among Polish citizens.

A total of 4,587,950 tests (95.5 percent) was done on blood donor candidates. Among them, infections were diagnosed among 107 persons (0.002 per 100 tests). Moreover, 15,028 tests were done among those who were intravenous drug users, 7,205 were done among prostitutes, 6,482 were done among blood recipients, 3,017 were done among homosexuals and bisexuals, 1,980 were done among hemophiliacs and 179,101 were done among other persons (for example, people going abroad who had been infected through heterosexual contact).

From 1985-90, 21,813 tests were done in addition to the tests of blood donors. As a result of these tests, 1,331 persons were found to be infected with HIV. This constitutes 0.6 per 100 studies. Detailed data on the number of tests done in 1991 is now being gathered. It will be made available after figures are totaled and an analysis is done.

Those infected with HIV are primarily the residents of large urban concentrations and suburban areas. Twenty-one percent of them gave their permanent address as the Warsaw Voivodship. In the last two years, a relatively large number of infections was noted in the voivodships of southwestern Poland.

For years, data on those afflicted with AIDS, as well as those infected with HIV in Poland has been sent to the regional office of the World Health Organization [WHO] and the European Center for Epidemiological Inspection of AIDS.

It is known that the 179 countries of the world are obliged to report this data. To date, 159 countries have done so. These include 52 in Africa, 44 in both Americas, 27 in Asia, 28 in Europe, and 8 in Oceania. Of those countries which have not reported cases of illness, 11 are in Asia, 7 are in Oceania, 1 is in Africa and in Europe, and only Albania has failed to file reports. According to the assessment of WHO experts, the number of countries of the world which have reported cases of illness reflects accurately the worldwide scope and extent of the problem.

POLITYKA Weekly News Roundup: 24-30 May

92EP0479A Warsaw POLITYKA in Polish
No 22, 24-30 May 92 p 2

[Excerpts]

National News

[passage omitted] An extraordinary general assembly of the association Pax adopted a declaration which says, among other things: "To all those who identify with the values which we have always desired to serve and to whom our activities in spite of our intentions brought embarrassment and wounds, we again express our regrets and ask for forgiveness. We direct these words especially to the church. We see our main task and role as actively supporting a conception of a modern democratic Poland, which should base itself on the principles of Christian civilization and the 1,000-year heritage of the nation. We want to serve in the promotion of those values in the Polish state, especially since, in spite of the collapse of communism, the struggle with Polishness and the Catholic Church have not ended. Rather, it is continuing in a new ideological form." The assembly elected new officers for Pax. Deputy Ziemowit Gawski, who replaces Maciej Wrzeszcz, is the chairman of the main board.

"Who longs for the People's Republic of Poland?" a survey for RZECZPOSPOLITA done by the Sopot Institute for Social Research: "Would you want to find yourself in the situation prior to 4 June 1989?": 30.6 percent, yes; 51.9 percent, no. People ages 25 to 39 (34.1 percent) and those age 59 or older (32.3 percent) would most gladly return to the People's Republic of Poland. Those opposed to a return to the situation prior to 4 June 1989 would make up nearly three-quarters of the supporters of the Democratic Union (UD) and two-thirds of the supporters of the Liberal-Democratic Congress (KLD) and the Confederation for an Independent Poland, and even one-third of the supporters of the Alliance of the Democratic Left (SLD).

Zbigniew Romaszewski (age 52), physicist, senator, chairman of the Senate Commission for Human Rights and Legality, has been named president of the Radio and Television Committee by Prime Minister J. Olszewski. The new president announced that he will attempt to bring our television closer to a model of public television "which would liquidate the greatest sins of our mass media, i.e., what has not changed since 1989, their party character." (After the roundtable, 25 September, Prime Minister T. Mazowiecki named Andrzej Drawicz president. He is a literary critic and translator, whom J.K. Bielecki removed and replaced with Marian Terlecki, 7 January 1991. Terlecki is a set designer and film director, and after his dismissal for being arrested for drunk driving, Bielecki named Janusz Zaorski president on 22 November 1991; a film director, Zaorski was removed on 19 May by J. Olszewski. [passage omitted]

The Sejm has agreed with the opinion of the Supreme Court that as a result of the elections the Christian Democracy should receive two more seats in the Sejm. W. Sila-Nowicki brought the protest to the court. There were 156 deputies from the Christian National Union (ZChN), Christian Democratic Party (PChD), Polish Peasant Party (PSL), Peasant Accord (PL), and part of

the SLD who voted to accept the opinion of the Supreme Court. There were 138 from the KPN, the Parliamentary Club of the Democratic Union, and the Liberal-Democratic Congress who voted against accepting it. There were 15 abstentions. It is expected that Marek Dabrowski of the Parliamentary Club of the Democratic Union (KPUD) and Zbigniew Frost of the KPN will lose their seats.

Among the respondents to a survey done by the Public Opinion Research Center, 48 percent say that the association of Poland with the EC will be equally beneficial for both sides; 28 percent think that the states of the EC will benefit more; only 16 percent think that Poland will benefit more. Among the respondents, 79 percent think that association will contribute to the development of private firms; 42 percent think it will promote the development of agricultural farms; 38 percent think that it will cause their collapse. [passage omitted]

At a press conference in the Sejm, Jaroslaw Kaczynski said: "During the course of the last two days (the conference was held on Thursday—editor) a powerful political lobby in Poland has revealed itself, and it is inclined to put issues in such a way that the interests of a foreign power are more important than the interests of the country." The main force of this lobby is supposed to be GAZETA WYBORCZA, which is supposed to be shown by the article by L. Bojko, the Moscow correspondent for GAZETA WYBORCZA, on the maneuvers surrounding the signing of the Polish-Russian treaty: "It is an article which could have been written even by a Russian nationalist, and it was printed in a Polish paper, supposedly from our point of view." Jacek Maziarski, another leader of the Center Accord, also warns: "It is sufficient to walk through the cloakrooms of the Sejm to note that there are people who think that the interests of Russia are more important and that Polish sovereignty should yield to them."

"Targowica in Action" is the title of a publication in the daily NOWY SWIAT which discusses the debate surrounding the Polish-Russian treaty, J. Kaczynski's attack on GAZETA WYBORCZA, and Leszek Moczulski's comments. ("The treaty prepared by the Polish side takes into account, to a high degree, Russia's state interests.") "The pro-Russian lobby is a threat to Poland's interests," concludes NOWY SWIAT.

"The press market has come out of a deep crisis," says NOWA EUROPA in a lengthy article on the threats to the existence of many papers. The daily provides information on the press runs and returns of the main central newspapers: NOWY SWIAT, 45,000 press run, about 65 percent returned; GLOB 24, 70,000-80,000, 50-60 percent returns; GAZETA WYBORCZA about 580,000, 18-20 percent; SZTANDAR MLODYCH about 270,000, 25-30 percent (the Saturday edition has somewhat lower returns, about 10 percent); EXPRESS WIECZORNY, about 220,000, 15-20 percent; RZECZPOSPOLITA, about 220,00-230,000, returns other than subscriptions, about 35 percent; ZYCIE WARSZAWY,

about 185,000, returns in Warsaw, about 20 percent, elsewhere about 80 percent; TRYBUNA, about 125,000, about 35 percent; KURIER POLSKI, the daily edition about 45,000, returns about 50 percent; the Friday edition, about 140,000, returns 15-20 percent.

Film documentation of martial law was destroyed because, among other reasons, there were too few tapes for current recording, declared Grzegorz Gorski, under-secretary of state in the Office of the Council of Ministers, on Bydgoszcz radio. The management of the television collection denied the comment: "Polish Television treats materials from the martial law period as archival materials protected by law." Minister Gorski in turn maintained his accusations.

Ewa Spychalska, chairwoman of the OPZZ [All-Polish Trade Unions Agreement], in conjunction with the refusal by the government to talk with the trade unions, writes in a letter to the president: "The presidium of the council of the OPZZ has decided to charge Prime Minister Olszewski with breaking the law on trade unions before the Tribunal of State and before the ILO [International Labor Organization] for breaking Convention Number 87 concerning union freedoms."

Fees for studies at Jagiellonian University will be introduced beginning in the next academic year: 250,000 zlotys [Z] annually for the first year; Z200,000 for each successive year. [passage omitted]

Opinions

[passage omitted]

Prof. Edmund Wnuk-Lipinski, director of the Institute for Political Studies of the Polish Academy of Sciences:

(Interviewed by Stefan Marody, KONFRONTACJE May 1992)

[Marody] Are we facing a general strike? The sociological surveys show an increase in consent for strike action.

[Wnuk-Lipinski] I think that it is an indirect manifestation of dissatisfaction. That is apparent, in any case, in earlier surveys: The consent to a strike is not the same as

the willingness to participate in one. But on the whole, consent for strikes creates a social climate favoring them. That is, however, not a very strong alarm signal. I expect that society will be increasingly polarized in its attitudes toward this type of action. An increasing large part has its group interests rooted in normal order. It may be this year, during the second half, there will be a clear polarization of society into those who have tied their interests to the market economy and into those whose interests are still bound up with the old economic system.

Aleksander Malachowski, deputy:

(Interviewed by Włodzimierz Cimoszewicz, GAZETA TYGODNIOWA 17 May 1992)

[Malachowski] If today a former member of the PZPR [Polish United Worker's Party] is refused full civic rights; tomorrow it will apply to everyone who thinks differently. Things began under socialism with enemies of the people, the soldiers of the Home Army, but then everyone got it in the head, even communists. Communists who thought differently were subject to the same repressions and obstacles in life as we were.

Donald Tusk, chairman of the Liberal-Democratic Congress:

(Interviewed by Robert Wijas, ZBLIZENIA 21 May 1992)

[Wijas] The majority of the deputies of the Liberal-Democratic Congress did not go out to meet with the demonstrators during the largest of Solidarity's demonstrations in front of the Sejm. Why?

[Tusk] I too had my doubts, but I went out.... But there was no dialogue between me and the mob because of the reactions of the marching workers who at the sight of me used words generally regarded as insulting.... It was totalitarian, antiliberal, communist gibberish without the red color. Those people said inflation and recession can go to hell; they want money. I understand the despair of the average person, but I also saw those there who are making political deals. I know from various sources that Mr. Maciej Jankowski, head of the Mazowsze region, cannot stand extreme poverty, but he is counting on being the head of all of Solidarity, and I know why.

Campeanu's Political Aims, Cadres' Trials Viewed
92BA0938A Bucharest DIMINEATA in Romanian
14, 15, 16-17 May 92

[Interview in three installments with Nicolae Cerveni, chairman of the National Liberal Party in the Democratic Convention, by Constantin Duica; place and date not given: "I Was Always Devoted To and Served the Idea of Justice"]

[14 May pp 1, 5]

[Text] [Duica] Mr. Nicolae Cerveni, two years ago I wrote three articles in which, because of scanty documentation, but also because of the political situation prevailing at the time, I made unfortunate mistakes, for which I belatedly apologize. I want to assure you that, although I like polemics, what I usually write is based on good and sound information. Those articles were among the few for which I trusted some letters to the newspaper, not having had the time to verify them (I did, in the meantime...). As a matter of fact, DIMINEATA made efforts to give up this kind of polemics (and to eschew base gestures and personal attacks), to be impartial, and as much as possible to offer the truth about what is happening in our country. Therefore, we can assume that, since you have agreed to be the "subject" of this interview, you accept my due apologies?

[Cerveni] Yes, Mr. Duica, I certainly accept your apologies for those two articles—you wrote only two, but I want to take this opportunity to clarify the situation of the third article, which in fact was the first in the chronological order of their publication. That article was signed by "Dr. Gh. Chechisanu," and was as untrue but much more venomous than the ones for which you now offered and I accepted apologies. Should I conclude that you assume the responsibility and apologize for it, too?

[Duica] Of course, since it prompted me to write what I wrote at the time. Consequently, my first question in a way has to do with history. I was told that the trial staged against you during the Stalinist period was in fact due to a certain closeness between the young man you were then and Lucretiu Patrascanu. Well, what was intended to be the purpose of the PSL [Socialist Liberal Party] you established after the revolution? Please expand on doctrine, whether it was a social democratic doctrine of one of contact with the liberal doctrine, the two actually being the doctrines that polarize and inspire the modern societies in Western Europe.... Frankly, I admired you because immediately after the revolution you had the courage to use the word "socialist" in the name of your party.

[Cerveni] I was a student at the time and I was undoubtedly somewhat close to Lucretiu Patrascanu, who was also my professor. As a matter of fact, by a coincidence I was tried and given a political sentence in the very same month in which Lucretiu Patrascanu was sentenced to death.

As for the ideological closeness between Lucretiu Patrascanu and myself, that can be inferred only to the extent that, at a time when the Romanian people had won the attribute of "friends" of the USSR, we both realized the danger coming from the east after the Russian occupation. In fact, during the investigation to which I was subjected by the securitate, they insisted very much on finding a political thinking closeness between student and professor—which could not be proven, because there was nothing there to prove.

Regarding the establishment of the PSL, evidently my concept and that of my friends was that the party's doctrine should be a doctrine of contact between the socialization of all the means of production (at that time) and the liberal philosophical and economic concept.

The name Socialist Liberal was suggested to us by the reality that prevailed immediately after the revolution of December 1989. Unfortunately, our party's name was not understood by the vast majority of those who heard it, despite all our efforts, because of the limited means of information we had for explaining the concept.

[Duica] Should I understand that you inclined more toward the liberal doctrine when you decided to join the PSL to the PNL [National Liberal Party]? What practical gain did you derive from that association?

[Cerveni] Our de facto fusion with the PNL was determined by our joint liberal political concept. The idea of "socialist" came from a pragmatic idea suggested by the economic reality prevailing at the time. Unfortunately, however, in the last analysis we only lost from that fusion. The idea of the unity of the opposition, of the entire genuine opposition, which we continuously pursued, could not be fully achieved for reasons that cannot be imputed to us.

[Duica] Was the recent "divorce" caused only by your strictly personal disagreement with Mr. Radu Campeanu?

[Cerveni] The answer is Yes, but it has to be explained. Taking undue advantage of his prerogatives as chairman of the PNL and of certain flaws in the PNL statute, Mr. Radu Campeanu forced his party leadership to leave the Democratic Convention [CD], thereby creating a fundamental difference of thinking and action between the two of us. I remained faithful to my fundamental conviction, formed already in 1990, that only a united opposition could stop a single party, meaning the FSN [National Salvation Front] from taking and remonopolizing the power and also that the united opposition was the only political force capable of pulling Romania out of the communist economic mire continued and worsened by the FSN. Of course, there were other differences of views, too, but those would not have sufficed to lead to the rift caused by Mr. Radu Campeanu.

[Duica] I have to confess that I do not dislike Mr. Radu Campeanu as a political figure. Aside from any prejudice, he is nevertheless a politician of substance, intelligent, skilled, quick to react, and often subtle. He is certainly flexible and unpredictable, with the certain charm of a well-educated and well-expressed determination, especially in view of the fact that he is no stranger to eloquence.... Even certain retractions, even the nonchalance with which he abdicates in order to immediately pick up other causes and ideas, as well as and primarily his ability to find precisely the key moment for essential decisions are real qualities. Neither can he be accused of having returned to Romania in order to claim something for himself; he came, he is poor, and he does not take advantage of his position to secure perks. Neither can we deny his clear loyalty to the national cause, the fact that he seems to often put the country's interests above other interests, avoiding falsely patriotic demagoguery.... This was a real panegyric, designed to prompt you to describe the portrait of the ideal Romanian politician. What do you say?

[Cerveni] I agree in principle with your portrait of Mr. Campeanu, except that in addition to the qualities you generously presented, he has two others that were omitted: With the same political ability he is making abusive use of a statute that, although it does not give him full powers in the party, he is practicing such a power; second, he has created a political "scenario" for the PNL that only he and the few political friends he has around him know. I, however, cannot accompany a politician along a political path that I do not know, however skillful and knowledgeable he may be.

The PNL's withdrawal from the CD, which Mr. Campeanu explained by completely unconvincing arguments, gave me the impression that he was leading the party along a path that was not at all in the interest of the PNL and that was especially contrary to the fundamental, crucial interests of our country and nation at this crossroads in their life.

As for the description of the "ideal politician," I think that such a thing is difficult to achieve, because in my view, an "ideal politician" cannot be devoid of the attribute of political frankness. I was never enthusiastic about Talleyrand, Fauche or others like them, but more so about Danton, Jefferson, or Abraham Lincoln. Aristotle, for example, in his *Politics* supported the thesis that we must achieve the good, more precisely, the greatest good.

[15 May pp 1, 5]

[Text] [Duica] Do you not think irrational some people's idea that by leaving the CD Mr. Campeanu played into the hands of Mr. Ion Iliescu? Is it right to talk of such a "travel companion," with which the Convention won quite a few votes in February? After all, Mr. Campeanu pulled out of a "political game" with partners in order to "play" his own. Being a monarchist, how is he helping the "game" of the president? Why should Mr. Iliescu

need such a game? Does he have any worthy opponent in the next elections that he should need Mr. Campeanu's contribution?

[Cerveni] The PNL's withdrawal from the CD was and continues to be absurd. I am not certain whose game Mr. Campeanu was playing. What is certain, however, is something else: Wittingly or unwittingly he played into the hands of the antidemocratic forces. I want to particularly point out that the fact that Mr. Campeanu abandoned the CD not only did not "crack" the nut as some were plotting, but on the contrary, it became more homogenous and will become even more effective at the next elections.

As for the Campeanu-Iliescu relationship, I want to believe that it is mere speculation, because a political collusion between those two would be a political monstrosity, so I hope it will never be more than that, meaning a mere journalistic speculation.

Unfortunately, by leaving the Convention, Mr. Campeanu once again demonstrated in fact that he was nothing but a "traveling companion," who by definition cannot be loyal. But in politics, Mr. Duica, as in other areas, there are neither constant friendships nor constant enmities, only constant interests (to paraphrase a former UN secretary general). I cannot take Mr. Radu Campeanu's word that, by leaving the CD he did not implicitly serve some of Mr. Iliescu's interests or of others. This, too, is of course only a supposition. But the majority of the leaders of the genuine opposition, as well as level-headed political observers in the country and abroad correctly assess Mr. Campeanu's whirlings about in the past few months as serious political mistakes, by which, intentionally or otherwise, he did not loyally serve Romania's real interests, nor those of the PNL. Consequently, I do not think that the idea to which you referred in this question is irrational.

As for Mr. Campeanu being a monarchist, that is arguable, because in politics he follows his brain more than his emotions, and therefore I doubt that he could sacrifice himself, even give his life, for example, for the restoration of the monarchy in Romania. Similarly, let us not forget that in fact Mr. Campeanu ran for the Presidency of Romania, albeit at a badly chosen historical moment. He cannot be reproached for that, even though he was counseled to withdraw his candidacy. I think that when it comes to deciding Romania's policies, Mr. Campeanu is in reality considering only himself. That is what I regretfully had to observe personally and permanently as long as I was with him.

[Duica] Your political convictions aside, as a notable member of the Bucharest bar you defended certain members of the old *nomenklatura* in various political trials. I understand that this time the decisionmakers were stronger than you, the defense....

[Cerveni] The story of my defending former members of the CPEX [Political Executive Committee] was the outcome of profound conscientious scruples. You must

realize that my youth was destroyed by the PCR [Romanian Communist Party]. Even my wish, my great wish to become a lawyer was blocked by the PCR leadership for 25 years. However, having become a lawyer, I maintained the same image I had of this profession as I had at the age of 20. A lawyer is and must always be a knight of justice.

When I was asked to take the defense in the trial of the former CPEx members, I hesitated and at first I refused. But once I became persuaded that Ceausescu's trial and the trial of the CPEx members were merely episodes from a scenario of the government formed after 22 December 1989, whose mentors included Messrs. Iliescu, Barladeanu, and Brucan, I took it to be my duty to participate in these trials—not in order to defend the former communist leaders, but only for the idea of justice; because you know, Mr. Duica, throughout this completely staged trial, I had a feeling that I was defending myself, you, and even the magistrates sitting in judgment, against possible judicial frame-ups of the new government. I myself was the victim of such a frame-up in the 1950's and now, as far as the legal framework, the manner of conducting the trial, and the name-changing game were concerned, this trial was obviously staged, so I could only be against it, regardless of the culpability of the former CPEx members. They have a right to be tried for their actual deeds, which unfortunately for them were many, but it is not just to indict them for things they did not do between 15-22 December 1989.

The government views this trial as one part of the "trial of communism."

When I was young and was studying law I was strongly impressed by the Latin saying "fiat justitia—pereat mundus," meaning let justice be done though the world perish.... After the December 1989 revolution, the Romanian people needed to put on trial all those who were still alive and who had tortured and mutilated them for almost 50 years. Ceausescu's trial should have been a model of how to do justice in this country, not a mockery of the idea of justice, which it actually was. It was only a mock trial, contrary to the ideas of the judiciary, of truth, law, and justice. The trials of the former communist leaders—who should have been put on trial not for having been "communists," but for the specific crimes and abuses they actually committed in the name of communism—should have marked the beginning of an extensive campaign of moral healing through the judiciary, on which occasion this nation should have been shown the monstrous, hideous face of a policy of destroying our nation and country that seemed to have been conceived and carried out in the bowels of hell.

These trials should not and must not look like mere account-settling with some of the survivors of the communist rule in Romania. In the last analysis, they should have persuaded both the people of this country, the world, and even the defendants, of the truth that the

defendants were answering only for their own, premeditated actions, so that the sentence could be convincing even for those on trial. To sentence a defendant without giving him the feeling that he is answering for his guilt is not an act of justice. I would even say that it becomes the opposite of an act of justice.

Romania did not need to disgrace itself in its own eyes and in the eyes of the world by making up a genocide trial limited only to 15-22 December 1989. And if it was a matter of such a crime having been committed in Romania, then its roots must be sought far deeper in history. Acts of genocide and crimes against humanity in general were committed at the Canal, at Gherla, at Aiud, at (especially) Pitesti, and in other communist camps.

And to wind up about my participation in the CPEx trial: It gave me an opportunity to prove to myself that a real professional, a lawyer can disassociate between his own feelings and his political belief in the judicial commandment which forces you, when you defend, to put yourself at the service of truth and to serve only the idea of justice, forgetting all other interests. This is what a lawyer should be in my concept as a genuine professional devoted to and serving the idea of justice.

[16-17 May pp 1, 5]

[Text] [Duica] Do you know that Mr. Ion Iliescu influenced the sentence?

[Cerveni] I cannot make such an assertion. It would not be ethical. To begin with, it would be an insult to the judges. But I do want to tell you that I began my plea at the trial session by expressing lack of confidence in the judges. Not because they, the judges, were not good, valuable people, but because the atmosphere of this trial could overwhelm them in the search for truth and in pronouncing a judgment divorced from any inner pressure. Only God knows what went on in the hearts of those judges when, after a spectacular acquittal, they handed down very severe prison sentences.

After all, the act of justice should be a perfect act, but perfection belongs to God alone. Man, however, by assuming the power to mete out justice, created the immanent contradiction between the act of justice—which theoretically should be a model of perfection—and the judge expected to achieve it, who unfortunately is an imperfect being. But we should allow the conscience of the seven judges to answer for the decision they took. They do not have to answer to anyone, except their own conscience and God.

[Duica] We know that you are not like that lawyer in the Christmas 1989 trial, who turned from defense attorney into prosecutor, be it only ex officio. Nonetheless, how do you see a trial of communism? Who should be the plaintiffs? Because, of course, for a trial to take place, someone must file charges with the court....

[Cerveni] A trial of communism, you said? That, sir, is something extraordinarily difficult. If the government

formed after 22 December 1989 had meant to initiate such a trial, the first thing it would have done would have been to create the procedural means for having it. A law would have had to be immediately promulgated to legally pave the way for beginning penal actions against those who for 42 years of communist dictatorship had been responsible for the disaster of the country and the nation. But how could the new leaders have thought of beginning a "trial of communism" when they themselves would have had to be implicated in such a trial? Because the "trial of communism" does not mean a trial of the communist ideology. It does not mean, nor should it mean, putting on trial four million party members, as those who are now in power intentionally suggested for diversionist purposes precisely in order to scare the rank and file communists, the plain party members, the payers of dues who were not guilty of anything. The "trial of communism" means taking penal action against people who should answer for the horrors, for the actual abominable deeds they committed against this entire nation, for torturing the Romanian peasants in order to force them to enter collective farms, for the recently discovered common graves filled with martyrs, for the tens of thousands of people dead of malnutrition in camps and jails, for the babies dead in incubators, for the old people dead of starvation, cold, and lack of the most elementary medicines, and for many other horrors and bestial acts committed in the name of communism, of the ideal society, and of the false happiness hypocritically promised by the communist rulers down to the very last days. This is what the "trial of communism" essentially means and the question is, how many of the leaders of yesterday and today can say with a clean conscience that they want to start such a trial?

Mr. Iliescu and his political acolytes recommend "social harmony" and "social reconciliation." In words that is undoubtedly beautiful and desirable and every sane person in this country dreams of social harmony. But can we really speak of social "concord" in a society in which torturers and tortured continue to live next to each other? Can there be any question of real social reconciliation between executioners and their victims? Can there be forgiveness if those guilty do not admit their mistakes and do not ask forgiveness? How can you forgive a culprit who does not ask for forgiveness and who continues to claim that he is not guilty? And finally, can there be social harmony as long as the post-22 December 1989 terrorists, who killed hundreds of people, disappeared into thin air? These things must be kept in mind by those who seriously consider beginning a "trial of communism" in this country.

[Duica] Don't you think that we should also talk about a trial of the transition, a trial of the Roman government?

[Cerveni] I am convinced that many things done under the Roman government qualified for consideration under the penal law. But my belief is not sufficient to initiate a trial of the transition. For that one would need to know how public funds were used, where the money

came from for the FSN American-style electoral campaign, and what the price was and who benefited by the populist policy conducted after 22 December, which, as nobody can deny, put heat in our homes, even when the trees were already in blossom. Anyway, enormous amounts of money were spent, but very little was done for this nation, deceived and tortured for almost half a century, who saw in Messrs. Iliescu and Roman two of the "riders of the Apocalypse" and followed them blindly on Sunday the 20th May 1990. In reality, over the first bankruptcy of the Ceausescu period was superimposed the second bankruptcy of the Iliescu-Roman period.

[Duica] What chances do you give yourself in the coming elections? Since your new political group has taken on the name of the Democratic Convention, it can be assumed that you believe very strongly in this alliance...? Do you ascribe a certain unifying role to yourself, or are you simply using a symbol?

[Cerveni] Already at the beginning of 1990 when I entered the political arena I was and I still am, a convinced supporter of the need to unite the real opposition. Faithful to that major belief, I am joining the democratic opposition without ascribing any chances to myself, speaking in percentage points. I do not put too much faith in opinion polls, whoever was conducting them, and certainly not in polls done in the still confused, deceived, and manipulated Romanian society disconcerted by the political malversations of the past two years. I know for sure that a good number of the Romanian people have realized that the FSN's policy prior to 20 May 1990 was a diversionist policy and I hope that the public in this country has understood who is cultivating lies and who is on the side of truth. I want to take this opportunity to address them with the words that Abraham Lincoln uttered in the 1860's: When evil men band together in pursuit of evil goals, it is the duty of the good men to unite in order to counteract or diminish the evil that the former may do. This kind of choice between good and evil is necessary in the present Romanian politics. I have opted for the good, which is pursued by the CD.

[Duica] Do you believe that there is really a PSDR [Romanian Socialist Democratic Party], whose leader allegedly is Mr. Sergiu Cunescu? If the members of many parties were to be counted, do you think that many of them would turn out to have even 251 members?

[Cerveni] I think that the only social democratic party, which however does not incorporate all the social democrats in this country, is the PSDR led by Mr. Sergiu Cunescu.

Your next question is hard to answer: I have some experience in this respect, but that is not what is important. The myriad of parties in Romania is another of the farce scenarios of the government formed after 22 December 1989, which I think was produced by a diabolical mind for the purpose of breaking up the

political options of the Romanian people. I am convinced that this multitude of parties will gradually disappear, because they will finally converge on the good, or possibly on the bad parties.

[Duica] In order to prove to you that our newspaper is perfectly honest and equidistant, we would like to end the interview by inviting you to make whatever declaration you wish.

[Cerveni] I am pleased that the newspaper which two years ago covered me in mud and made slanderous statements about me is now giving me an opportunity to frankly express my thoughts. Without claiming to be the holder of the absolute truth, I want to tell the readers that I am honest in everything I say and do, and all possible mistakes have to do with human frailty.

I want to thank you, Mr. Duica, because, although you were the author of slanderous articles, you had the strength to admit your mistake and to apologize. As for forgiveness, I forgave you and I hope God will forgive you, too.

[Duica] A pitiful hand, probably still possessed by the habits of communist censorship, removed from the second installment of Mr. Cerveni's answers two passages referring to President Ion Iliescu. When I decided to do this interview I assumed that my interlocutor, Mr. Iliescu's political opponent, was not going to praise the latter. Clear animosities are natural in a political struggle. However, knowing Mr. Ion Iliescu very well, I knew that he would precisely understand our intention to present the country's politicians as they are and to quote their statements exactly. To be frank, I also thought that the time has come for Mr. Ion Iliescu to respond more resolutely and more firmly to all the mostly unfounded accusations leveled at him.

Here are the two censored paragraphs:

"Mr. Iliescu needs and is structurally predisposed to many and varied games, and he would sign a pact with anyone, including the devil, in order to stay in power."

"But can we seriously talk of a 'trial of communism' in our country, whose president is Ion Iliescu, who for years was in charge of propaganda in the communist party, the man who, from an orthodox communist position, was in the forefront of the student reprisals of 1956? Can we talk of such a trial, whose mentors would be Alexandru Barladeanu, Silviu Brucan, Dan Martian, and other prominent bolsheviks, however many there may be behind them? Let's be serious, Mr. Duica."

Constantinescu Pleads for Moral Regeneration

AU0807081492 Bucharest DREPTATEA in Romanian
30 Jun 92 pp 1-2

[Interview with Professor Emil Constantinescu, presidential candidate of the Democratic Convention, by

Mariana Sipos; place and date not given: "Society Can Only Change Through a Change of Mentality"]

[Text] [Sipos] Mr. Professor, the candidate of the Democratic Convention [CD] should obviously be quite different from his political adversary. What distinguishes you from the politicians who have been in power in Romania for the past two and a half years?

[Constantinescu] The past two years have shown that morality in politics and consistent adherence to principles are not only a matter of character, but also of political efficiency. No matter how strange it may seem, the people have not lost their trust in several basic truths, despite the deterioration in the economic situation and the worsening of the economic, social, and political crisis.

The Crisis Is Primarily a Moral One

[Sipos] In other words, you believe that the current crisis we are experiencing is first a moral one and only secondly a political-economic one.

[Constantinescu] Yes, it is a moral crisis deriving from the deliberate attempt to substitute collective responsibility for individual responsibility. The almost hostile attitude of part of the population—an attitude cultivated by a certain paper—against the former political prisoners, against the December 1989 fighters, and against the former dissidents and resistance members is based on the inoculation of a certain sentiment of guilt into a large part of the population. In my opinion, it is absolutely necessary to reestablish the truth. The practice of eschewing the truth about certain serious events that have occurred since December 1989 and the slow pace of the effort to restore the truth about our history from 1945 to the present day—or even opposition to it—are enhancing the confusion conducive to this feeling of guilt. This confusion has another serious effect of preventing a true national reconciliation, which can only take place after truth is reestablished and after the extremely few people who committed crimes punishable by the penal code and who violated the moral code are clearly identified. Many people can free themselves of the last category of guilt through confession. True understanding and forgiveness can only follow such a confession, which can be made either openly, or in a closed forum.

The Many Should Know the Rights and Obligations of Their Leaders

[Sipos] Did you alone decide to run for the Presidency, or were you pushed by others? I am asking this question because, at your hearing by the CD Collegium of Electors, I became convinced that you possess a true political vocation. Did you discover this vocation by yourself, or did others?

[Constantinescu] From the beginning, I chose the road of civic education. I have openly stated this option from the balcony of the university and in my speeches to almost

all pro-democracy rallies I have addressed. My message was extremely simple, but consistent: Society can only change through a change of mentality and by renouncing the lies that were inoculated into us by more than 40 years of dictatorship. However, this is easier said than done.

The period of communist dictatorship coincided with a distortion of the nation's basic institutions—the school, the church, and the Army. The rebuilding of these basic institutions will take time. However, it must be done. No party that might come to power can produce an efficient change unless its actions are understood by the broad strata of the population. For this to happen, the people must know both the rights and obligations of their leaders. I have often said that, in this civic action, the electors are more important than the elected. On the other hand, I realized that this educational action should take place at a pretty fast pace. The deterioration of the economic situation, accompanied by social chaos and a deterioration of our political institutions, might push us into an extremely serious crisis. There is a relationship between economic changes and changes wrought by civic education. It is very difficult to undertake civic education in conditions of misery. The general and, to a certain extent justifiable, popular belief is that the rich people are mean and that poverty goes hand in hand with generosity. However, there is a situation of extreme poverty—misery—that very easily leads to moral decay. The fact that you cannot feed your children leads to immoral actions and callousness.

At a certain point, I realized that my goals could not be achieved through civic education alone. I noted that all extant civic education organizations, even the important ones, were used as a kind of screen for the apparent democracy, which totally defied the true democracy. Therefore, it became obvious that the only way out of such a dilemma was through political action, the end result of which should be the replacement of the current civic system by popular ballot. As I have already said, if you want change, you must also find the people capable of doing it. It is not enough to agree with the need for change. Therefore, at least a part of the intelligentsia should directly contribute to this change.

My Decision To Run Came After an Evolutionary Process

[Sipos] It is not every man's destiny to run for the Presidency. If when you talked from the university balcony someone had asked you "Hey, you know how to convince people, you have charisma, and you would be good to run for the Presidency," what would you have answered?

[Constantinescu] I would have rejected the idea. My decision to run came after an evolutionary process. I became involved gradually. I became a founder of University Solidarity, then of the Civic Alliance. As president, by rotation, of the Antitotalitarian Forum, I participated in setting up the CD and finally I was

nominated by the University Solidarity and the Civic Alliance as their representative in the process of selecting the CD's sole presidential candidate.

[Sipos] When was that proposal made—shortly before its announcement at the Cluj meeting or long before that?

[Constantinescu] It came two weeks before that announcement. I was finally convinced by the arguments of my colleagues from the University Solidarity, who set out from a robot image they drew of a likely presidential candidate. Once this robot image was drawn, they began looking around for a corresponding real life image, until they reached the present formula.

Cluj Mayor Charged With Creating 'Dictatorship'

92BA0981A Bucharest ROMANIAI MAGYAR SZO in Hungarian 9-10 May 92 p 1

[Editorial by Laszlo Miklos: "The Vatra Dictatorship: We Cannot Pass It Over in Silence"]

[Text] A serial hair-raiser could be published about the barely two-month "reign" of Mr. Gheorghe Funar, the ultranationalist mayor of Kolozsvar (Cluj).

He is a dictator's dictator.

In any case, a white book could be compiled about his Hungarian-bashing, antidemocratic decrees, and I dare to hope that RMDSZ's [Democratic Union of Hungarians in Romania—UDMR in Romanian] local or national office will write the synopsis. In order for the organization that protects our interests not to be pointlessly charged with irredentism, I propose that the book be published in the English, French, and German languages. I guarantee that it will sell, even under the counter at the monastery square.

No matter how hard we try, in our daily news items we cannot keep up with the—let us admit—industrious and unselfish workers of the "mayor of all citizens of Kolozsvar." His Highness even has the time, not to mention interest and thoughtfulness, to personally phone the local Hungarian daily newspaper's editor and ask him to please send two copies of the paper's "protocol" to City Hall. After all, the congregation is poor and cannot afford to subscribe.

Which means that Mr. Funar reads Hungarian, too.

However, it would not surprise us if he issued a decree in which he forbid his esteemed self from perusing it because he does not have the right to read publications of the Hungarian press.

Because what would people say behind the scenes or at the fireside or in the unity party if they found out that their zealous favorite reads Hungarian (too).

Finally, let us note that here it is no longer a matter of Mr. Funar and his deeds. If the mayor's decrees and

decisions, which he issues by circumventing the council, are autocratic, he is only in fact serving the ultranationalist power.

But enough of speculation!

At the time it came to power in Kolozsvar and parts of North Transylvania, the Romanian National Unity Party was obviously incapable of handling the region's serious socioeconomic problems and had at its disposal just one tool, or alternative, to preserve its power: xenophobia, anti-Hungarian policy. First it was anti-Hungarianism and then hatred of foreigners. In party circles there is the once faded but here revived slogan: "Do Not Give Away the Country!"

"Give away" indeed: They even give their pants away to ease the economic woes, but there is nothing for anyone. Foreign capital does not flow into the region. A practical long-term initiative failed to materialize: At the exhibition of brother cities that opened early in May only the placards proclaimed the names Beer Sheva (Israel), Columbia (United States), Dijon (France), Cologne (Germany), Zagreb (Croatia), and Pecs, because the brother cities' delegates/exhibitors did not show up for the exhibition's inaugural ceremony.

Should we seek a connection with the March desecration of the Tordaszentlaszlo church that elicited great outcries in foreign ecclesiastical circles? With the illegal prohibition of Hungarian-language posters and nameplates in Kolozsvar's cultural, educational, and ecclesiastical institutions? With the mayor's edict that expelled Dutch advisers and representatives from the city? With the unconstitutional requirement of official permission for any meeting or gathering?

The Vatra dictatorship rages in Kolozsvar.

The more he rages, the more foreign countries and the Romanian democratic opposition shut themselves off from contact with the local authorities. The authorities rephrase a statement (attributed to Prince Lapusneanu) that became an adage: "But if you don't want us, we want you!" The mayor announced that the April 30th work conference of the foreign and Romanian branches of the Soros Foundation could be held if representatives of the Vatra Romaneasca were present. If Mr. Soros goes to bat for an open society....

We mention only as a mere curiosity that Mr. Funar and his venerable colleagues recently picked a quarrel with the community that is least offensive and most in need of help: the Hungarian Association for the Handicapped.

In brief, the Vatra dictatorship rages in Kolozsvar.

I did not invent the *syntagma* Vatra dictatorship. Romanian democratic and opposition newspapers used it before I did.

It is true that no one sees or suggests how to discuss and resolve the situation. To the best of my knowledge, nor does the RMDSZ.

And neither do I.

Ethnic Hungarian Official Refutes Funar's Charge

92BA0981B Bucharest ROMANIAI MAGYAR SZO
in Hungarian 16-17 May p 1

[Unattributed article: "Mr. Funar in Parliament?"]

[Text] Thursday in the Chamber of Deputies NMDF [expansion unknown] representative Nicoara Diodor asked that Cultural Affairs Ministry Under Secretary Andor Horvath be brought to justice for unconstitutional statements that—on the basis of an alleged sound recording—were published last week in the Temesvar [Timisoara] newspaper RENASTEREA BANATEANA.

Friday morning we invited the under secretary to tell us what really happened. "When I was questioned in Parliament, the following unresolved matters came to mind. One, I gave no interview to the newspaper RENASTEREA BANATEANA. Two, the editor of the paper in question was not present at that discussion. Three, I did not authorize this newspaper to publish any statement. Accordingly, I regard what they published as a text whose origin is dubious.

"As far as the statement itself is concerned, it goes without saying that my lips did not utter such a statement. At the start of the conversation, which took place 29 April in the Kolozsvar mayor's office, knowing that it would probably be turbulent, I asked that the entire conversation be recorded on cassette. The mayor rejected this request. For this reason, I not only call into question statements I am certain I did not make, but I also dispute that any such sound recording exists.

"The statement in question exists in a context, and it is written that in response to a comment I made the mayor said about me that on the basis of what I said it was his opinion that I did not acknowledge the country's Constitution. So this is what he said about me. This comment appears in the incriminated newspaper as if it came from my lips. In connection with the country's official language: In the text that I just gave out to ROMANIAI MAGYAR SZO on Thursday, there is reference to the point that controversy surrounds the fact that—in the constitutional sense—Romanian is the country's official language, but is that sufficient reason for not allowing placards on Hungarian theaters to appear in Hungarian?

"Present during the conversation were the deputy mayor, the office's legal adviser, and another adviser, Levente Salat from the Soros Foundation, and a secretary. They may be witnesses to what I said."

Domokos on 'Consensus' in Democratic Convention

92BA0981D Bucharest ROMANIAI MAGYAR SZO
in Hungarian 5 May 92 pp 1, 3

[Article by Katalin Beres including interview in Bucharest on 2 May: "Unity Is Complete in Democratic

Convention: Conversation With Geza Domokos, Democratic Union of Hungarians in Romania National President"]

[Text] *The Democratic Convention held another conference on the afternoon of 30 April. Representing the RMDSZ [Democratic Union of Hungarians in Romania—UDMR in Romanian] at the session were president Geza Domokos and presidium member Csaba Takacs. We asked the RMDSZ president to offer his views on topics discussed at the session.*

[Domokos] At the most recent session of the Democratic Convention, we surveyed what needs to be done in connection with the parliamentary elections. It was mentioned that work committees and campaign headquarters must be established. We discussed committees for organization, propaganda, legal matters, financial matters, and foreign relations. Special work groups must also be set up. The conversation was conducted in a very cheerful and democratic spirit. No one felt the loss of the National Liberal Party.

We established an executive committee as our council. We wondered what to call it, because not just the founding parties participate in it, but also smaller parties, alliances, and associations, some of which have no direct concern with politics. We were worried about what to name the council. Coordinating committee? Many said yes. Advisory body? A few. And then my proposal that we simply call it the Convention Council was accepted. And that became its name.

What is new—and this has elicited a fine response not only in the press but also among the public—is the following: It is well-known that Mr. Radu Campeanu has many times emphasized, or has never forgotten to underscore, that his party did not withdraw from, and is still a member of, the opposition and that he believes in opposition unity. This is proven by the Liberal Party's membership in the Convention for Democracy. As we found out at the session in question, Mr. Campeanu told King Michael this when they met. Starting with this fact, but not for this reason alone, we became convinced that alongside the Democratic Convention, which was formed for electoral purposes but may have prospects after the election, too, there is no point in having a parallel organization such as the Convention for Democracy. We cannot dissolve it because according to the founding document a consensus is necessary for that, and because the liberals are no longer among us, the legality and validity of such a decision could be questioned. We therefore decided that it is not considered necessary to maintain five organizations that withdrew from the Convention for Democracy. In my opinion, the decision puts the Liberal Party and Mr. Radu Campeanu personally in a very difficult position, because he can no longer say he is a member of a unified opposition organization.

Radu Campeanu accused the Democratic Convention of wanting to become some sort of superparty, of wanting

to create party structures. This was not true, of course. Indeed, when we discussed how the electoral coalition would function before the elections and during the campaign, we were careful to see to it that the established work groups did not turn into fragments of some unfriendly, party-minded organization.

[Beres] What attitude did the Convention adopt toward the RMDSZ? What role did the alliance play in the various bodies?

[Domokos] The RMDSZ is a member of the exclusive Convention Council, whose chairman is Corneliu Coposu. We have always gotten along very well together. There was complete unity in the Convention. There was one troublesome problem: It is common knowledge that the Senate passed the Liberal Party initiative that a political association, convention, or alliance of any kind can stand for elections only if its original composition does not change. If it does change, the party name and party symbol cannot be used. The bill was also passed by the House of Representatives on the first round and, as everyone knows, the RMDSZ, the Peasant Party, and the Ecology Party withdrew from Parliament in protest. The House speaker therefore decided to return the bill to a special legal committee. It will be debated again this week. But the conference was worried that use of the name Democratic Convention and retention of the Key as symbol might be endangered.

Unfortunately, because the Liberal Party mentioned for a month that it would make a final decision at the meeting of its governing body, the Democratic Convention lost about a month's time in preparing for the elections. But with hard work and intelligent organization we can make up for lost time.

It was further discussed at the conference that a Convention platform must be written up. A platform committee, which might lay the foundation for a future government platform, took shape. Clarification of numerous details was left for the following sessions. I think that when the House of Representatives passes the electoral law and agreement is reached on an approved version in the Senate, if the definitive text is ready, only then will it be really possible to make a final decision about many items. It is common knowledge that the Senate approved the Hondt method, which does not make a threshold necessary. However, this method does not make it possible to gather the leftover votes, which happened in May 1990. In the House of Representatives, the parties reached a preliminary agreement according to which it is likely that the Hondt system will be dropped and, at election time, the principle of proportional representation will again be in effect, which is very important to us, because in 1990 our parliamentary group increased by two senators and seven representatives with it in effect. The law puts in a new light the possibility of a joint ticket in the Convention. The question is whether the law makes it possible for some parties to appear on the Convention ticket and also be on individual tickets. Where do we advance together, where do we advance

separately? We can decide on all this only when we know the final version of the law. I am confident that when we write up the Convention platform, the interests of Hungarians here in Transylvania will be included and that everything we find important will make its way into the democratic forces' program.

During the conversation the telephone rang. On the line was Szekelyudvarhely, where an event important to the life of RMDSZ—the KOT [expansion unknown] session—took place yesterday.

[Beres] There, among other things, the president's letter addressed to KOT was debated. What decisions were made at the KOT meeting and in connection with issues raised in the letter?

[Domokos] Secretary Jozsef Somay reported on the KOT meeting held 1 May. Let me say by way of preface that unfortunately my state of health did not make it possible for me to participate in that very important conference, and I was only able to send a letter. I understand from what Jozsef Somay said that the work session was conducted in a fine, calm atmosphere. Decisions were made in connection with our participation in the Democratic Convention and with respect to preparation for the parliamentary elections. An important decision was also made in connection with the RMDSZ congress scheduled for the end of May: Out of regard for the elections, the KOT/RMDSZ congress was postponed until after the elections.

My letter was also discussed. But mostly my announcement: If KOT thinks that it is better for RMDSZ and that it suits the interests of Romanian Hungarians, then I will bestow my office on a suitable presidium member, or as KOT thinks best—I give my consent to this. I am unfamiliar with the details, disputes, and arguments in this connection. Jozsef Somay merely told me that KOT had decided I should continue to fill the office of RMDSZ national president until the congress is held. In view of my situation, I don't know whether I want to use all my strength and energy to participate in the various meetings and conferences. It is left to me to decide how much I can undertake. I thank them for their trust and understanding. I will do my level best to help the Alliance in this complex situation, as new forces emerge in local politics and international affairs. New relationships will develop and, as an important national organization, RMDSZ must be present. I will be happy if from this viewpoint my work is useful.

This interview took place on 2 May, 1130, at RMDSZ headquarters in Bucharest.

Budapest Urged To Brief Minority, Diplomats

92BA0981C Bucharest ROMANIAI MAGYAR SZO
in Hungarian 15 May 92 pp 1-2

[Article by Laszlo Szekely: "Foreign Affairs Ministry Comes to Defense of Vatra Mayor"]

[Text] A significant portion of the weekly foreign affairs press conference, which lasted much longer than usual, was devoted to an explanation of why it was necessary for Kolozsvár [Cluj] Mayor Funar to (1) take steps to prohibit an international conference whose purpose was to analyze the local government and (2) decide that a conference or symposium cannot be held without prior approval of the authorities. The hidden aim of the protracted and enormously detailed explanation, in the course of which perpetual reference was made to information obtained directly from the mayor's office, was to establish the innocence of Mr. Gheorghe Funar. Ambassador Chebeleu said that because the mayor got word of the purpose of the conference just one day before it was scheduled to start and because the conference organizers offered no substantial facts, the mayor did not have time to make a careful study. Moreover, the announced topic "would foster tension and touch raw nerves, which is dangerous in itself." The foreign affairs spokesman said in support of this that "the symposium would have been open to a restricted circle, i.e., it would have taken place without Romanian participation." In other words, any arrangement that does not include Romanians is automatically suspect. Ambassador Traian Chebeleu emphasized that a further argument for Mr. Funar's decision was the fact that "a concept and a viewpoint contradictory to the Romanian legal system would have been examined. I repeat again that the symposium topic would have been the local government." The spokesman pointed out that the government is not held responsible for the mayor's decision.

After this survey of the facts, the foreign affairs spokesman expressed regret that part of the press had "exaggerated" matters. For example, the Reuters news service reported that Hungarians in Kolozsvár had been deprived of their basic rights, that the hotel lodging foreign guests had been surrounded by police, etc. None of this corresponds to the truth, according to Ambassador Chebeleu, because "the right of assembly is guaranteed in Romania." How it is guaranteed became clear in Kolozsvár.

The question cropped up: Why did the Foreign Affairs Ministry assume the task of explaining and—indirectly—defending what the mayor had done? Because Mr. Funar's autocratic measures elicited a very strong international response. In reply to a question from the newspaper DIMINEATA, the ambassador admitted that the Dutch embassy in Bucharest "showed interest" in the events (as everyone knows, Dutch advisers and representatives were expelled from Kolozsvár). Similar signals had been received by the Romanian embassies in Warsaw, Washington, and The Hague. "There was no reaction from Budapest?" asked the DIMINEATA reporter. "Not that I know of," assured Traian Chebeleu.

On another occasion I was seized by the feeling of a weaponless man swept into the line of fire. The Romanian ambassador ripped to pieces a speech given on 6 May by Hungarian Foreign Affairs Minister Geza Jeszenszky. He cited numerous expressions and sentence

fragments from the text of a lecture delivered to the Royal Institute of Foreign Policy a week before at the famed Chatham House in London. Indeed, at the end of the press conference, the complete text of the speech in Romanian translation was distributed to us. But we three Hungarian reporters sitting in the room and—what provides even more food for thought—the press attache from the Hungarian embassy in Bucharest looked at each other and did not know what to say or decide: How much was exaggeration and how much was fabrication we did not know, for the simple reason that we were unfamiliar with the original text. We sat there weaponless and uninformed. We were forced to listen in silence to the arguments of Mr. Chebeleu, according to whom the Hungarian foreign affairs minister had stressed: "The current Romanian authorities do not want to grant rights to the minorities." From this, assumed the ambassador, the conclusion can be drawn that Budapest would like a change of power. "Statements by members of the Hungarian government occupy our attention, provide us with food for thought," said the Romanian ambassador, who added, "These new displays are further proof that the Romanian government's proposal for a postwar-type French-German reconciliation finds no response, at least for now. All this takes place, however, at a time, starting Monday, when foreign affairs under secretary Teodor Melescanu holds talks in Budapest with Hungarian foreign affairs under secretary Tamas Katona and deputy under secretary Ivan Baba on relations between the two countries."

When will the government and Foreign Affairs Ministry finally wake up to the fact that the Hungarian diplomats who serve in Bucharest must be quickly and thoroughly informed of the statements, which in every case find a resounding response in Bucharest, concerning bilateral relations that are uttered anywhere and under any circumstances by Hungarian officials? These excellent and in every respect thoroughly prepared diplomats, whose special interest, I am convinced, is to promote and improve bilateral relations, deserve more attention—from home. Information is an indispensable tool for diplomatic work.

Report on Meeting of Union of Armenians
92BA1077B Bucharest *ADEVARUL* in Romanian
9 Jun 92 p 3

[Report by Silviu Achim: "The Armenians, a Well-Liked Ethnic Group"]

[Text] The Armenian community in Romania is numerically small. Estimates provided by the community itself range around 5,000 members. However, as it was demonstrated on Saturday and Sunday when the Union of Armenians in Romania [UAR] held its second national conference, the sympathy and respect it enjoys is not directly inspired by its size, but especially by the manner in which it handles its minority status and rights and by the responsibility with which it shoulders its duties toward itself and toward the common fatherland. A

rarity at such meetings, the conference was greeted by envoys of President Iliescu, Prime Minister Stolojan, and the Parliament, by 15 leaders of political parties and organizations of the minorities, delegates of Armenian communities from the Republic of Moldova, Bulgaria, and Hungary, a representative of U.S. Armenians originally from Romania, and others. Each of them separately and all of them together shared the view that the Armenian minority in our country made and continues to make distinctive contributions to the material and intellectual achievements of this country and that it indubitably has a secure future here.

- Reestablished after the revolution, the UAR has already overcome the inherent difficulties of the beginning and now has branches in 11 cities, while seven additional ones are in the process of being established. The Union has founded commercial organizations designed to ensure its self-financing. In the cultural area, efforts have been directed toward popularizing the traditional values of the Armenian civilization and toward preserving or, as the case may be, finding again its ethnic identity.
- The near future was described as being dominated by cultural concerns: Restoring ethnic Armenian monuments, researching old Armenian manuscripts (especially in Transylvania), strengthening the links to the Armenian diaspora and increasing its interest in cooperation ventures with Romania (in point of fact, the Romanian-Armenian Chamber of Commerce, on which many hopes are pinned along this line, will be opened this month).
- Without in anyway forcing the point, the UAR intends to reintroduce the Hungarianized Armenians of Transylvania into both the Catholic and the ethnic Armenian mainstream. Certain steps have already been taken along this line and Hungarians of Armenian origin have declared their agreement with such steps. A special situation is found in Gherla, where the vicar of the Armenian Church does not speak the Armenian language (an extremely rare case) nor seems interested in using that language in the church. As a matter of fact, the priest in question is also the honorary chairman of the Armenian-Hungarian Friendship Association, which in Bucharest is thought to pursue the unavowed purpose of finally stripping the Armenians of their nationality.
- Deputy Varujan Vasgianian was reelected chairman of the UAR.

Military Retirements, Appointments, Promotions
92P20322A

[Editorial Report] Bucharest MONITORUL OFICIAL in Romanian on 21 May on page 2 reports that, effective 9 May, the following generals in the Ministry of National Defense have been transferred directly to retirement status in accordance with Article 46, letter a) of the Statute of the Officers' Corps: Lt. Gen. Gheorghe Constantin Ionita and major generals Tudor Stefan Albu, Constantin Ioan Banacu, Dumitru Ovidiu-Biti Iliescu,

Vlad Gheorghe Negosanu, Alexandru Aurel Nicolau, Constantin Demetru-Valentin Nitescu, Stefan Romulus Paul, Neculai Neculai Suvejanu, Gheorghe Marin Teodorescu, and Emil Constantin Vaideanu. On page 2, the same source reports that, effective 9 May, the following colonels in the Ministry of National Defense have been promoted to the rank of major general: Gheorghe-Viorel Cheptine, Neculai Virgil Constantinescu, Marin Alexandru Ivanescu, Andras Andrei Kemenici, Constantin Dumitru Mircea, Teodor Mircea Muresan, Sabin Nicolae Oprea, Constantin Ion Stan, Nicolae Constantin Stanasila, Anton Dumitru Sterian, and Valeriu Gheorghe-Valeriu Ursu.

MONITORUL OFICIAL on 21 May on page 2 also reports that, effective 9 May, the following retired colonels in the Ministry of National Defense have been promoted to the rank of retired major general: Ion Valentin Arsenie, Stefan Stefan Bediu, Niculae Constantin Bogdan, Teodor Petru Motiu, and Iancu Vasile-Stelian Parisescu. The same source reports, on page 4, that, effective 9 May, Col. Victor Mihail Buracu has

been promoted to the rank of major general and transferred directly to retirement status.

According to MONITORUL OFICIAL of 11 June, page 3, Colonel Dumitru Cornel Otelea, in the Ministry of National Defense, has been promoted to the rank of major general, effective 3 June. On 8 June, on page 2, the same source reports that Colonel Constantin Victor Marcu has been appointed first deputy director of the Romanian Intelligence Service, effective 29 May.

MONITORUL OFICIAL of 1 June on page 2 publishes a list of retired colonels, war veterans, who have been promoted to the rank of retired major generals, effective 9 May. They are: Nicolae Dumitru Ardelean, Gheorghe Nicolae Bana, Constantin Grigore Costinescu, Lazar Ilie Danila, Ioan Cicero Fartat, Ilie Ioan Georgescu, Petre Constantin Latea, Constantin Gheorghe Mateescu, Leonida Ioan Nicolae, Constantin Barbu Nicolau, Ion Alexandru-Nicolae Popescu, Oprea Romulus Popescu, Onisim Nicolae Stanculescu, Ion Nicolae Stoenescu, Victor Corneliu Sandru, Ioan Gheorghe Stefanescu, Alistar Cezar Tabarcea, and Gheorghe Mihai Varia.

Human Rights Group Letter to Tudjman
92BA1143A *Split SLOBODNA DALMACIJA* in English
13 Jun 92 p 7

[Text]

INTERNATIONAL HUMAN RIGHTS LAW GROUP

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Telephone (202) 232-8500—Telefax (202) 232-6731

June 9, 1992

EXECUTIVE DIRECTOR
Reed Brody [words illegible]

His Excellency Franjo Tudjman
President of the Republic of Croatia
c/o The Office of the Republic of Croatia
236 Massachusetts Ave., NE
Suite 505
Washington, D.C. 20002

Dear President Tudjman:

We write to express our deep concern over the instigation of investigatory proceedings against Viktor Ivancic, Tanja Torbarina, and others on charges of "spreading false information" after these individuals wrote newspaper articles critical of your actions as president. The investigations appear to violate the basic right to freedom of expression.

Must we remind you that you, too, were once the subject of similar government restrictions on the freedom of expression? In 1980, you were imprisoned by Yugoslav authorities for "verbal crimes" after attempting to speak out on behalf of Croats and to write a history of the

Croatian people. At that time, the International Human Rights Law Group visited Zagreb to defend your rights and those of others whose human rights were being violated by the Yugoslav government. After meeting with you personally the Law Group filed a petition on your behalf before UNESCO in an attempt to defend your freedom of expression.

Must we now return to Croatia to defend those whose rights you have deprived?

We are also deeply disturbed by recent reports that Croatia's Public Prosecutor, Vladimir Seks—who was also defended by international human rights groups when he was disbarred and imprisoned for political crimes—has announced that thousands of persons will soon be charged for "war crimes" and for so-called "verbal crimes." Such action must not be used as a pretext to attack political opponents, journalists and others critical of the government.

We have defended your right to freedom of expression, and are saddened that you, upon reaching a position of political prominence, appear to be curtailing others' rights to the same freedoms. You know from bitter experience the inhumanity of government censorship. You know better than to adopt the same tactic.

I have the honor to remain,

Yours Truly,
(Signature) Reed Brody
Executive Director

The International Human Rights Law Group is a "Lawyer" movement independent of any government, political ideology or religious creed. The Law Group has Category II consultative status with the United Nations Economic and Social Council, and is a tax-exempt organization under Section SOI(oX3) of the U.S. Tax Code.

Direct Links to Hungary To Be Established

92BA1111A *Ljubljana DELO* in Slovene 9 Jun 92 p 9

[Article by Ivan Gerencer: "Independent Roads to Hungary"]

[Text] *Slovenia will be linked to Hungary by a modern two-lane highway through Lendava to Letenye; Minister Kranjc is arguing against Dr. Lukvik Toplak's proposals.*

Murska Sobota, 10 Jun—Slovenia will have a direct road link with Hungary. The railroad line between Murska Sobota and Monoster [Szentgotthard] has to be finished in three years. Next year there will be a direct telephone connection with Hungary. Dr. Ludvik Toplak's proposals for solving Slovenia's transportation dilemmas are illusory, and may put Slovenia in the position of being too dependent upon foreign joint investors. These are some of the observations by Transportation Minister Marjan Kranjc, who spoke with reporters about the planned road, railroad, and telecommunications links between Slovenia and Hungary.

According to Minister Kranjc, Slovenia has established good cooperation with its neighbors. Thus, we have already signed agreements with Hungary on road, air, and telecommunications traffic between the two countries, and an agreement on a railway link between Slovenia and Hungary, which will almost certainly be signed before the end of the year, has also been prepared.

The transportation link between Slovenia and Hungary has to be direct, i.e., independent of the desires and plans of neighboring Croatia. We have thus already agreed with Hungary that it will build a 27-kilometer modern two-lane highway from Letenye, which is on the Hungarian border and where its highway ends, to the border crossing at Pince near Lendava. For our part, we will reclassify the border crossing at Pince as an international one, and build a two-lane highway past Lendava, to Hotica in the direction of Ljutomer, Ormoz, and Ptuj, up to Slovenska Bistrica, where it would be connected to the Maribor-Ljubljana highway. "In addition to the two-lane highway, we will also plan to build a highway toward Hungary, which will not follow the same route, and which we will start seriously thinking about building when traffic on the two-lane highway reaches the appropriate density, for example, 15,000 vehicles per day," Marjan Kranjc said.

The Croats are quite upset about our plan for a direct road link with Hungary. They are criticizing us for wanting to block their transportation link with Central and especially West Europe that way. We in Slovenia are already feeling the "benevolence" of our neighbors, who are charging an astronomically high road tax for the use of 38 kilometers of highway from the Hungarian border to Ormoz. According to Kranjc, we will build the two-lane highway from Slovenska Bistrica to the Hungarian border near Lendava gradually, as funds permit.

We agreed with the Hungarians very quickly on a railway link between Murska Sobota and Monoster in Porabje. As Kranjc stated, a railroad line 38-kilometers long will be built in three years. The Hungarians have already prepared all the documentation for their section of the railroad line, but they do not have the money to build it. That is why they are proposing to us, among other things, that Slovenia—under certain conditions, of course—would provide the money for building the entire line. This amounts to \$55-60 million. We have already established an initiative committee for founding a stock company that will handle building the railroad, and its headquarters will be in Murska Sobota. "The Austrians, Germans, and Italians are also very interested in the construction, and are prepared to provide financial assistance. Thus, among other things we have an offer from Alpine Voest and Krupp, which are prepared to deliver material immediately for building the railroad, valued at one third of the total investment, and which are also proposing to us that the debt be repaid by the railroad's earnings. In this regard we must be careful that we do not ruin our railroads financially. I am personally in favor of attracting as many stockholders as possible for the construction, because we will thus—with our own money—reduce subsequent dependence upon foreign joint investors. The latter are displaying considerable interest in a railroad link between Slovenia and Hungary primarily because of the Koper port. The Slovene railroads have to prepare all the documentation for building the railroad line by November 1992."

Next year, according to Kranjc's assurances, we will no longer lose connections when we want to telephone to Hungary and vice versa. We will eliminate all the difficulties by laying a fiber optic cable up to the Hungarian border—our neighbors have already carried out this work. Our Transportation Ministry has tried to alleviate the present difficulties in telephone communications with Hungary by leasing six lines at the Zagreb telephone exchange, but telephone subscribers have not yet noticed any major improvements.

[Box, p 2]

Marjan Kranjc will have a press conference in Maribor with Dr. Ludvik Toplak, at which the latter, as an expert, will have to tell people his opinion.

National Democrats Prepare for Elections

92BA1082A *Ljubljana DNEVNIK* in Slovene
9 Jun 92 p 3

[Interview with Dr. Rajko Pirnat, president of the Slovene Democratic Alliance-National Democratic Party, by Ivan Mihelcic; place and date not given: "On the Significance of the Saying 'In Unity There Is Strength'"]

[Text] Ljubljana, 29 May—It is an undeniable fact that the fall of Peterle's government and the inauguration of Drnovsek's caused enormous tectonic shifts in Slovene

party life. Even the story with the beard is one that talks about the present ruling coalition of left-center parties, which drew the Reformers to them just because they needed their votes, but by no means what to "have their pictures taken" with them. The 5 + 1 coalition also arose from this "joke," with the Reformers as a sort of associate members. The left-central negative waves have nevertheless somewhat settled down for the time being. What about the right-central ones? Clearly certain resentments (the merger of the SKD [Christian Democratic Party] and the SLS [Slovene People's Party]) have not yet been forgotten, but there is nevertheless an effort to cooperate constructively. We spoke about this with the leader of the SDZ-NDS [Slovene Democratic Alliance-National Democratic Party], Dr. Rajko Pirnat. His party, in fact, was the initiator of the ideas that for now only involve opposition coordination, in short, the establishment of ties; these ideas, however, according to Dr. Pirnat, are aimed at reuniting the forces of the right into an effective coalition.

[Pirnat] We have to get used to a new, opposition posture, which requires that we attentively monitor the government's measures and criticize them if we do not agree with them. We National Democrats were the initiators of organizing the opposition forces, not in order to create one party, but rather primarily in order to organize effectively and thus, in the Assembly, prevent any possible change to the fundamental achievements of the previous government. Our initiative has borne fruit—we have established a political coordinating group.

[Mihelcic] Immediately after the fall of Peterle's government, you nevertheless had a higher goal: a merger of your party with the SKD and the SLS.

[Pirnat] We never talked about merging into one party. We talked about a relatively right-wing coalition that would be organized internally enough to have its own obcina network, which now exists in the form of obcina Demoses. The basic problem of the former Demos ruling coalition was precisely that there was no real link between the republic organization and the obcina ones. We are now establishing those relations.

[Mihelcic] To what extent, then was the SDZ-NDS even a living presence in Ivan Oman's initiative for a merger of the SLS, the SKD, and the SDZ-NDS?

[Pirnat] We were informed about that initiative, but we did not participate in it directly. I was aware that currently it was not realistic. Sometime later on, since in a stabilized political sphere it is not possible to have several right-central parties, namely one that would be based more on Christian values, and another that would be a secular one. My goal in creating a coalition was to overcome the disagreement between the Christian Democrats and the People's Party. I think that we succeeded in this, and we are now talking constructively. This opens up greater possibilities for a coalition. I am personally convinced that an attempt is being made to

break up this part of the political sphere by artificially differentiating the right-central parties.

[Mihelcic] Who is causing that artificial differentiation?

[Pirnat] It is hard to point to any person or organization. It is certainly in the interest of the "left" to have this differentiation of the right take place.

[Mihelcic] That is true, but even without the "help" of the left, signs of fragmentation appeared in the right wing on their own, since that is also why your party intervened....

[Pirnat] Yes, in any case this fragmentation of forces is not good, and it is necessary to adhere to the old Slovene saying that in unity there is strength. Certainly, all the disagreements have not been overcome, but in the activity of the coalition or the present coordinating group it will be necessary to avoid points of conflict. The resentments will thus die out sooner or later.

[Mihelcic] The life of parties, regardless of political allegiance, will depend on the law on political association. The current one is no longer suitable, and the new one is still in preparation. We have learned that it will soon be presented at a government meeting. You also participated in preparing the theses for this law, at that time in the capacity of minister of justice. What innovations does the new law bring?

[Pirnat] Our fundamental idea was to make the conditions for establishing parties stricter. With the entrance conditions, we wanted to reduce the number of parties in Slovenia, and furthermore we thought that it was necessary to regulate internal relations in parties in more detail. Our main emphasis was that parties' financial business should be put under public oversight. These were the fundamental goals, but the law was also intended to regulate certain details, for instance, how many names a party can register (the SDSS [Social Democratic Party of Slovenia], for instance, registered 10 or 11 names). The law should also regulate all matters in connection with foreigners' party activity—whether they can establish parties here, and what happens with their membership in other parties, especially in the parties' leadership bodies.

[Mihelcic] Does this also apply to the "domestic" organization of the party life of Slovenes throughout the world? The issue that you are mentioning is somewhat reminiscent of the emigrant Slovene People's Party, which joined with the SKD, and its representatives were also in that party's leadership.

[Pirnat] Well, in this case it is necessary to take into account the fact that many of these people did not lose Slovene citizenship, and on the other hand, the constitution provides for special rights for Slovenes without Slovene citizenship.

[Mihelcic] Electoral legislation and the law on privatization are in the forefront of the activity of your National Democrats and also of the new opposition coordinating

group, and you are also looking askance at the government's current economic measures.

[Pirnat] Naturally, since what the government has done with respect to raising wages actually resembles financial suicide. We cannot do anything more than warn, however; the consequences of this measure should be expected in a week or two. One should fear a wave of inflation.

[Mihelcic] Summer is in front of us. Will it be a hot one?

[Pirnat] Politically it will certainly be very active, since the parties will start to prepare intensively for the elections. In short, this will be a campaign summer, even though in politics it is actually always a sort of campaign time. There will certainly be no time for a vacation.

Pucnik Predicts Aggressive Election Campaign

92BA1069A *Ljubljana DELO* in *Slovene* 6 Jun 92 p 20

[Interview with Joze Pucnik, president of the Social Democratic Party, by Boris Jez; place and date not given: "The Election Campaign Will Be Aggressive"]

[Excerpts] [passage omitted] [Jez] How do you think the "average Slovene" views the state? Is it still that romantic view of a year ago, or are we already facing all the aspects of the alienation that exists in the state? Is there already a state of conflict (which is normal) between the state and the citizen?

[Pucnik] I would even say that this state of conflict has already been in existence for Slovenes for a very long time.

[Jez] Of course, we are talking about the new Slovene state, not the republic one.

[Pucnik] In the new one as well. We Slovenes are a sober people, and we do not worship this new Slovene state either. I think that there are very few people who would give it unlimited trust on credit, so to speak. I think that the attitude is critical and healthy, and that it will remain like that. There still exists, however, a sort of emotional connection with this young state—the events of its emergence are still close in a certain way, and are still tangibly evident. The images of its emergence—whether we look at its elements far back, or only concentrated in the last two years—are still very vivid and colorful in our awareness. That probably also influences the degree of emotion. I will not say love, because we Slovenes are too sober for that, but rather the benevolent forgiveness that a mother has toward her mischievous teenager.

[Jez] So in the long term there is no real possibility of the kind of conflict situations in which Slovene students, for instance, would charge against the police as in South Korea. What degree of conflict exists between the state and civil society?

[Pucnik] In principle, we must not rule it out. I think, however, that the current and medium-term situation in

Slovenia is such that such things are extremely unlikely. Of course, everything also depends upon how the state treats the citizens, and on the other hand, on the citizen's socialization as well. I think that we are all helped by something that is unpleasant *per se*, i.e., the economic crisis; in many respects it also protects us against selfishness. Young people today have a different orientation. Perhaps only the generation that will come in 20 or 30 years could be different and destructive. How we will be able to prevent such things depends, of course, depends on our culture and our cultural system. We will never succeed in it by means of abstract patriotism. The attitude toward the state is still very concrete and inexperienced. It always has to be built again, and established for each generation; it cannot be given once and for all. This means that the socialization mechanisms (culture, education, the behavior of the state, etc.—political culture) are the framework that can protect us from extremism. The state is obviously like that! The state, in spite of this, is a technology, a foreign element, a tool....

[Jez] Is what you are saying also influenced by the fact that Slovenia is actually a small state, a big village, so to speak, and consequently the socialization processes are that much more intensive, and the whole apparatus is closer to us?

[Pucnik] Yes. That is one side of the matter. The other side is that we lack the element of admiration, which in a certain phase of personal development—in adolescence, let us say—also depends upon power, size, and importance. We lack this element: admiration of the state, and also intimidation, although I am not exactly advocating it.... Every teacher knows that intimidation is an element of educational technology, and I think that in general this also applies to socialization in the broader framework outside of professional institutions. This is consequently a plus and a minus. I would not venture to say what will prevail. I think, however, that the fact that we are a small people, a small state, is really an advantage, if we only know how to make use of it. Size, of course, is of fundamental importance in the economic, military, and other areas. Of course, adaptability and an *a priori* critical attitude toward oneself is something that accompanies small collectives, small families, and small peoples. Just think about Jewish culture and its world war, which deserves admiration! Without the Jews, we can hardly imagine any area whatsoever—science, culture, politics....

[Jez] Consequently, in Slovenia there will never be the classic patriotism that glorifies the state as something valuable, and instead we will remain at a lower level of patriotism?

[Pucnik] I think that this degree is higher, not lower. There are fewer emotions, and whatever there are will also disappear soon. I think that the average Slovene, if I may speak of him, has a very pragmatic attitude toward the state. The average Slovene will never love the state; he will sacrifice himself to defend it, but for pragmatic reasons. I think that Slovenes' attitude toward the state

will remain like the attitude toward one's own obcina, the obcina committee. It will be critical of the state, however. In critical borderline situations, I think, a Slovene will always choose the state.

[Jez] In spite of the relative closeness of the state apparatus and the populace, which in Slovenia is like being in a large village, processes of alienation are already noticeable, for instance in foreign policy, where parliament does not have any particular influence upon whether we establish diplomatic relations with someone, etc. Don't you have the feeling that a kind of new political elite is being formed, which can cause new conflicts in society?

[Pucnik] This possibility exists, of course, and it will always exist. We are not immune to it. As for your example, I would make the following comment: The disputes in parliament and in Slovene political life, in my opinion, are something very natural and very cultured. These disputes are not at a low level. Perhaps I differ from many observers in this. I think that we have no need to be ashamed of it. Let us think about how the Italians behaved in their parliament after World War II.... And furthermore, we Slovenes have to agree on whether we want a multiparty system, quarrels, and sometimes even a little circus in parliament, or a one-party system, when we will all raise our hands. Then there will not be any quarrels. I think that we Slovenes have chosen the multiparty system. I would not exaggerate this quarreling. I lived abroad for quite a few years, and sometimes I was at parliamentary meetings. My opinion of the Slovene parliament, in view of that comparison, is positive. I would not say that I am satisfied with everything as it is this very day. Far from it! But it is not that bad. Here, we do not have the wickedness, vulgar namecalling, violation of norms, and everything that is constantly happening in the so-called highly democratic parliaments. I am therefore satisfied with our parliament. Of course, I would rather have more effectiveness and faster decisionmaking. [passage omitted]

[Jez] In any case, we will constantly seek something. It is obvious, however, that tremendous things have happened in Slovene politics in the last two years and in Slovene statehood in the last year (we are slowly approaching the anniversary of the declaration of independence). In the first presidential elections, when you were a presidential candidate, you assessed rival candidate Milan Kucan in your own way. How would you assess him today?

[Pucnik] Have I said anything bad about him? I have mostly always had a respectful attitude toward him. In the first place, because it seemed important to me to preserve the level of discourse, and in the second place, he was not a bad candidate. The Slovenes who elected him also realized this.

At that time, the situation was very bipolar. There was the regime that we experienced and perceived as communist, and there was the opposition, which was democratic and anticommunist. That was the basis. In that situation, a demand appeared, determined and clear (and along with it, the opposition's inventiveness in comparison with the regime), for Slovene independence. The regime's parties, in fact, were not capable of expressing it in such a clear, formulated shape. The debate in connection with the May declaration in 1989 showed this. The statements in the previous elections should also be viewed as an expression of this bipolarity.

[Jez] Nevertheless, the opposition (which also included you) won then primarily on the basis of the national program with which it made a stand against what was then a truly mediocre and hesitant establishment. Two years later we are in a phase when that national program is being implemented, but we have found ourselves in muddy waters again. Today the parties are changing places with each other (not as in a washing machine), but we are actually in a time when it is being lost. Is it a synthesis?

[Pucnik] I would say this: At that time the opposition succeeded in uniting in Demos and achieving a very high degree of homogeneity with respect to two or three goals that it established. Its strength and its creativity also lay in this! In fact, Demos (i.e., the Slovene opposition) made progress at that time in the area of the national program. The common elements were fulfilled. Today we are in a time of thinking over political action. Back in the fall, in a certain interview I proposed the thesis that 1992 is very similar to 1989. The political scene in Slovenia is being rearranged again. We have entered a period in which we are starting to create a normal party spectrum. It is a very difficult period. Now there is currently a search for joint programs and joint coalitions, new alliances; there are no more alliances on the basis of the national program (a simple, but extremely important one); also, anticommunism can no longer be a political program. It is too little. I am not claiming that these structures have completely disappeared in Slovenia, but the regime no longer exists. I think that we have to deal with things differently. It is a question of establishing different contents. Furthermore, we are already in Europe, and it is difficult here. We have ideologically and emotionally oriented parties, which proceed on the basis of a certain vision (for example, socialism—the Reformers are still thinking about socialism) of the Christian ethos, e.g., Christian Democracy. These are things that affect people's emotional orientation, and with this emotional orientation these parties have their own "reservoir" of voters, which is very stable. Other parties, for instance the central ones (the Social Democrats, the Liberal Party, and also the Greens, etc.) have to acquire members by other means. There are difficulties with this. I am convinced that the election campaign in the fall will not be a pretty one; I am afraid that it will be very aggressive. It will be similar to the one in 1989. It will bring—I am convinced of this—a relatively stable

political scene in Slovenia, about five, six, or possibly seven parties that will also be substantially reduced in the following period until other elections.

[Jez] Doesn't it seem to you that Slovenes mostly will not be able to decide between the different political and economic programs? To be sure, there are ideological differences, which were shown in regard to the law on privatization, for example, but there will be more expression of inherent party maneuvering, which can quickly lead someone to think party life has become completely detached from society and is living in its own internal logic of the struggle for power.

[Pucnik] I do not agree with that assessment....

[Jez] That various social aspirations and tensions are not being expressed?

[Pucnik] No. Look at the coalition that is now putting together the government (it is supposed to do its work somehow until the end of the year). It is actually the government of a center coalition. They are centrally oriented parties. There is no leftist emphasis (possibly individuals in individual parties), and also no rightist emphasis of tendencies. I would also say that we no longer have (or not yet!) extreme right and extreme left parties, thank God. It is the center; it is pragmatic. We have not coordinated programs in this case. Then we would not stay together until the fall. It was a question of assuming responsibility for the state for eight to 10 months. We only came to an agreement on four or five points; we said that we would not mention the others. That is the only thing that is uniting us in this regard. [passage omitted]

[Jez] In addition to what is provided by the constitution and except for the electoral law, what is being provided in the state's technology to make its apparatus more modern and more effective? In the future, will Slovenia be like a Mediterranean or a Scandinavian state?

[Pucnik] I am convinced that we have to try to develop in the Scandinavian direction. I think that it is more suitable for our Slovene mentality, and also for our cultural circle, our history—i.e., a Central European or northern state. What can be done? We have to achieve an efficient administration. Our administration is not efficient. We have to deal with this! But I do not believe that the present government could take care of this in such a short time. The legal foundations for a reform that will be carried out by the next government can be established, however. It is quite certainly possible to do something in this regard. We have to agree on what kind of local self-management we will choose. We have to proceed from a fundamental difference that we have to take into account, namely the difference between the state and self-management.

Under the influence of various ideologies, we tried to equate the two, and we dreamed about the withering away of the state, as if we started to dream about the withering away of the automobile as a technology. It is

impossible! The state is one thing, the apparatus of coercion, which in itself is something unpleasant, but very useful, something that I cannot give up and I have to tolerate, but I will not love it.

The other thing is social life outside it (e.g., with respect to relations between the state and local self-management). Local self-management is local self-management only when it is truly developed from bottom to top, without the state's prescribing to obcinas how they are to "self-manage." We have to be aware of this. It is consequently absurd. We have to perceive that they are two different things. The development will probably go in this direction: the state, the districts (as branches of state authority), obcinas (which will be smaller), and regions. Ties will be established in accordance with specific interests; this must always proceed in accordance with the will of those who are affected (through elections, referendums, etc.). If economic ties are established, the ties have to be established by a contract. This is something that we have to introduce, and the state certainly has to do it. The state should thus offer several models of how self-government can be organized. The state should not decide by law how people should "govern themselves." People have to govern themselves. There is consequently one element that seems to me to be of fundamental importance: contracts! The present regional assemblies, if they merge into an obcina, have to sign a contract that is not only an expression of common interests, but must also specify precisely the forms and costs of cooperation, the procedure for decisionmaking, the period for decisionmaking, the competent court that will rule on common interests, etc. This consequently has to be prescribed by the state; then it is left up to the regional assemblies, the obcina, their bodies, a referendum, or whoever to decide what they are adopting.

[Jez] Does the Slovene state, at this time, have enough sensitivity and feeling for the whole multitude of unique situations? Criticisms are occurring that this model has been carried over from the West, and cannot be adapted to our experiences.

[Pucnik] Among Slovene jurists—all the way up to the Constitutional Court—two models are being discussed: one is whether the state should prescribe relatively precisely, organize, and specify the borders of small obcinas as administrative units or not. I hope that the experts in Slovenia who prevail will be those who are advocating what I tried to describe—that the state should only specify the general rules of the game, models, and leave specific decisions on what, whether, when, under what conditions, and in what combination up to the people. I hope that they will prevail. This has not yet been decided. It will probably also be decided by parliament, in regard to the laws on state administration and local self-government. They are mutually dependent, in fact.

[Jez] And there is also the other side of this problem: While the Slovene state is growing stronger, local self-government is at a null point. Isn't there a danger that the state would flourish too much at the expense of local self-government, and suffocate it?

[Pucnik] I do not have that impression. Look—on one hand we have the state. The state has a parliament. Parliament approves and passes laws, and the state has to carry out these laws. The question arises of what these laws affect. In the area that the laws affect, the state also puts in its "long arm." We have to decide what we want it to regulate for us. Perhaps now some director is expecting that the state will seek a market for his products for him! I should mention a few other absurdities. If the Chamber of Commerce expects the government to determine Slovenia's economic development, then it has things backwards. These are dreams about the former old state, when the Central Committee determined economic policy. Economic policy has to be determined by economic entities, not political ones. Economic policy is formulated specifically above all by economic entities who have their own organization, i.e., the Chamber of Commerce, in which they establish ties and seek markets. Things are backwards. We have to agree on whether we want a bureaucratic state modeled after socialism, or whether we want a modern West European state that only determines the rules of the game and leaves the rest to the responsibility and decisionmaking of the entities who become involved in that game. I think that we want the latter.... [passage omitted]

[Jez] But do we have a plan for an efficient administration?

[Pucnik] I think that we still do not have one. It is necessary to create one. This also includes what we were saying earlier about the state and local self-government. We have to know what the state is and who the state is. The locals themselves should decide on the rest. If they want to have something and are willing to pay for it, let them have it. If they are not prepared to finance what they want, they should not have it. The state has to provide what is specified by law. It has to collect enough funds from people to be able to maintain the things specified by law, since it does not produce anything itself. The state is a consumer, and moreover the largest one in any society. That is why parliament should always reestablish the criteria for its consumption. The more we restrict the state's functions, the cheaper it will be. The more we expand them, the more expensive it will be. Let us agree on what we want. If we want to have the smallest possible state, which will be the cheapest possible, then certain things have to be taken over by the local communities, and also by individuals at their own expense, or else it should be left up to the market and bought there. Theoretically, for instance, it would be possible to eliminate health insurance, which would be idiocy in our situation, of course. Theoretically it would be possible, and then the taxes collected by law would obviously be automatically lower as well. This will not happen, however. We Slovenes will quite certainly choose health

insurance. There are consequently limits; there is decisionmaking. It does not just involve the state, the government, and the parties; it also involves the Slovene public, which will make a decision.

[Jez] A breeze of healthy pragmatism is coming from you. After two years, how would you assess the new political situation? Are we nevertheless going in the right direction?

[Pucnik] Definitely. I am more optimistic today than I was. I viewed the process of the introduction of democracy with major reservations. Reality even surpassed my optimism and I think that developments really are going in the right direction. And I would also like to emphasize something else for your readers: the quality of Slovene democracy is not at a low level, if we compare it to Europe! We should not listen to claims that we are at a low level. Our democracy has quality, and it should continue to be developed. We have had tremendous achievements in these years, of course also on the basis of what came before (we cannot say, of course, that Slovenia's development began in 1990), and our possibilities are very great.

[Jez] And when do you think the elections will be held?

[Pucnik] I already made mistakes with this prediction several times in the spring; consequently I would say this: At least I and the Social Democratic Party that I represent will try to have them held in November. We really will try to have the elections held in November! I am not 100-percent convinced, however. In any case, they would have to be at the end of the year.

Drnovsek Economic Program Criticized

92BA1108A Ljubljana SLOVENEC in Slovene
16, 17 Jun 92

[Article in two installments by Milan Demsar:
"Drnovsek's Cunning"]

[16 Jun p 2]

[Text] After the prime minister's presentation of the government's program to the public, the great expectations of clear and resolute measures that would mean a reversal in the economic area were diminished. The program presented is far from what one could call realistic, comprehensive, and consistent. In this regard, of course, the question immediately arises of why so much energy and time was spent on replacing the government, if it is not bringing any essential changes.

The presentation of the program to the public was very meager, because it contained only individual segments of the present situation, the goals established, and the measures anticipated. The first impression after the presentation permits a suspicion that the government does not have any kind of strategy, or that what lies behind this is a very cunning strategy that the prime

minister is deliberately not revealing. Let us try, then, to resolve the dilemma on the basis of the known information.

Do the measures foreseen represent restrictions on the demand side, or incentives on the supply side?

He chose Markovic's concept, well-known to him and to all of us, of so-called anchors, combined with a deficit budget, a more expansive credit policy, and the primary issuance of tolars. The anchors are to be infrastructural and other monopolistic prices, wages, and the exchange rate, after prior adjustment. Below, we will point out the background and weaknesses of that strategy.

What is the prime minister emphasizing, and what would he rather keep quiet about? He is emphasizing the absence of any sort of economic policy under the previous government, and the anarchy in state finances. He is emphasizing the inherited problems, but he is keeping quiet about the significance of the great potential represented by the foreign exchange reserves. He is also keeping quiet about the fact that after a long time in extremely uncomfortable circumstances, Slovenia has earned more than it has consumed. His program is based on increasing consumption again.

The government intends to use the foreign exchange reserves, which in the government's opinion are approximately equivalent to the surplus of savings over consumption, to revive economic activity. The government thinks that the economy is 10-20 years behind the West technologically. It will therefore establish a consortium of banks to encourage investment financing. Nevertheless, literally, according to Mr. Drnovsek: "The government does not expect rational decisions in enterprises in the socialized sector until their ownership is transformed." Because of that position, the government will encourage investment only in the private entrepreneurial sector and in the infrastructure.

Why isn't Mr. Drnovsek also consistent with respect to his position on rational decisionmaking, as we will see below, in regard to bank management, which wields a large part of the actual power in Slovenia through its authority over enormous social capital? The government probably does not feel strong enough, and therefore would rather conclude an alliance with the bank lobby, which has already been controlling all other economic and social structures "since before" in alliance with the one-colored political elite.

The government's intention of simultaneously encouraging savings as well, while stimulating consumption in order to use surplus savings, is apparently contradictory. With a restrictive income policy, one can hardly expect both increased consumption and increased savings. The encouragement of consumption, however, does not have to do with encouraging personal consumption but rather investment consumption, and in encouraging tolar savings, the government is probably not counting so much on additional savings as on a shift from frozen foreign exchange savings to higher-yield tolar savings. If we also

include in this context Ljubljanska Banka's foreign exchange depositors in other republics, the trade and payment surpluses in those republics, and the political promise that their depositors will receive the same treatment as domestic ones, a suitable financial manipulation of transactions, with a political agreement and a legal basis, could very "elegantly" resolve the issue of citizens' foreign exchange savings. This issue is one of the key ones for the survival of Ljubljanska Banka. The above solution, of course, is also tied to the public debt and the primary issuance of tolars.

The government will not undertake anything in connection with the abnormally high interest rates, which we can actually call "usurious," even though economic theory does not recognize such expressions.

They are dictated by the banking oligarchy, which is thereby covering the costs of its bad investments, its enormous investments in capital assets, and its inefficient operation. Those interest rates also yield high financial profits for all the net creditors with which the banks have concluded an alliance through the new mechanism of bank management. And who pays the bills? The net debtors, who will fail in many cases for this very reason, and in the final phase their burden will fall upon the state. The most negative thing in this regard is the inappropriate selection of the entrepreneurial sector because of inappropriate prices for the factors of production (too high a price for capital, and too low a price for labor).

After the government's big mistake in connection with the May increase in salaries, it is proposing a restrictive income policy in its program. Wages are also to lag behind inflation by up to 5 percent a month, and it is to protect the lowest strata by means of its social policy. In addition to the issue of the acceptability of a further reduction in real personal incomes, such a policy leads to a leveling, and will thus be a further disincentive for employees. Prime Minister Drnovsek will offer employees an alternative: either low wages, or jobs and agreed-upon low wages, or low wages because of the competition with inflation—i.e., nothing new, except for correcting his own mistakes.

[17 Jun p 2]

[Text] The government obviously changed its mind at the last minute with respect to foreign trade policy, and the tolar exchange rate, which is linked to it. Just a week before presentation of the program, it was intending to resolve the paradoxical situation of foreign trade surpluses in spite of an overvalued tolar exchange rate by preserving the exchange rate and intervening only to bring about a reduction of several percent in the exchange rate. Now, however, it is stating that with the anticipated further reduction in investments in the markets of the former Yugoslavia, the limited possibilities for exports to East European markets, and the too-small Slovene market, the only alternative that remains is encouraging exports to Western markets in spite of the

surplus. The government is probably concluding that it does not have the money for subsidies to exporters, and it will therefore be forced to "correct" the tolar exchange rate, and not by just a few percent. In order to avoid reducing imports even more by doing this, and thus increasing the surplus, the government will encourage imports through exemptions and the financing of equipment imports.

Among the program's points of departure that were presented to the Assembly, particular emphasis was placed on efforts to reduce the budget. We see from the program presented that the government has also changed its policy in this very sensitive area by 180 degrees. In comparison with the previous plans that it would not use the planned budget deficit, the government would now like to increase it by more than 100 percent. This involves 41 billion tolars, which is not even the whole of the deficits planned by the new government. The anticipated accumulation of losses in the state infrastructure and the socialized sector has a very similar meaning in terms of content. Specifically, it means higher consumption during the current period, at the expense of what was earned in the past or at the expense of what we have yet to earn in the future.

Mr. Drnovsek completely neglected to present the monetary policy, concerning which we can only conclude for ourselves that it will have to follow the consumption philosophy of the overall program.

The government plans broad action involving direct intervention in economic entities. Such measures are debatable for several reasons. First of all, it is questionable whether an enterprise is suffering losses because of internal reasons, or, for example, only because of excessive interest rates, too many employees, or a sudden loss of markets. Isn't it also necessary to take such steps at several enterprises with a profit, which perhaps have such results because of the "usurious" borrowing of money, because of monopoly, or because of the failure to charge for environmental costs, and which would be completely uncompetitive in normal market conditions?

Will the government therefore, through financial intervention in a centrally planned manner, once again squander large amounts of the taxpayers' money? The government should do precisely what the governments in market economies do. It should guarantee enterprises favorable conditions for doing business, and offer special assistance for opening up new markets. It should intervene in enterprises directly only in the event of bankruptcies and wild privatizations. Surmounting enterprises' short-term financial difficulties is the business of the banks, and the problem of those enterprises' creditors.

The state's priority task is to take measures with respect to itself, with respect to the inflated and inefficient state administration, the obcina administrations, the public sector, and the infrastructure, for the construction of the legal system and for a quicker replacement of "communist" values by Western values.

Prime Minister Drnovsek is obviously aware that his program does not ensure an economic reversal, and that is why he is probably not expecting either a political consensus or popularity among workers. That is why he is engaging in tactics. The program represents a meager, programmatic basis, and he is keeping the so-called May analysis in strict secrecy. He probably expects that in his next appearances he will achieve more results by criticizing the past conduct of economic policy than by promoting his own program.

The current economic policy program that has been presented is only one part of an overall macroeconomic program that also includes an economic development strategy and an economic system. The cunning prime minister will probably present those two parts of the program more pompously later on, when they will already be serving the purposes of the election campaign. Specifically, it is much more popular to show people a bright future than to show them "tough" solutions for serious economic problems that have been piling up for decades.

Impact of Oil Embargo on Serbia Assessed

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in Serbo-Croatian 8 Jun 92 pp 24-25

[Article by Djordje Buric: "The Oil Embargo and Its Consequences"]

[Text] It happened nevertheless: A special type of patriotism is in style with us today—deceiving a nation and embellishing stark reality. Unfortunately, after politicians (it began with the famous root), many other "experts" (among the first are politico-economists) and "businessmen" are also subject to this. I, unfortunately, as a professional of many years in the oil industry, do not have the right to this, but I must tell the truth, and that is my personal view. And it is bitter and cruel. We deceived ourselves for a long time with this "I can't do anything for us" ... "probably that won't work either" ... "we have alternatives," etc., and now it has happened nevertheless! The worst that we could do in this kind of situation is to minimize the problems again and embellish the situation. A total oil embargo for any society that has at least somewhat moved away from manual production and a rural style of a life is a very serious problem. And we had moved ahead quite well and even reached \$3,000 GNP and energy consumption of the equivalent of over two tons of oil per inhabitant. To be sure, this was forced a little with the help of foreign debts, but still.

The problem with this is greater in that the embargo found us in a deep recession, with galloping inflation and a ruined energy situation with heavy losses. We have never had an energy strategy and a consistent energy policy. Energy has always been a supply sector, and the energy balance the sum of the needs of individual branches and the DPZ's [sociopolitical communities]. This has led to hypertrophy in the consumption of "cheap" energy, so our specific energy consumption (TOE [Tons of Oil Equivalent]/\$1,000 of GDP) has climbed from a precrisis 1.1 (then the world average) to over 2.3, or 2.5 times as much as the average in OECD countries. The "Gosplan" conception that "cheap" energy buys social peace and "stronger" competition by weak firms has survived unbelievably long, up to our day. The current government sold gasoline at 25 pfennigs when it was 1.5 DM in Europe and drove Nis into the "red" by a whole \$400 million in half a year. The result is apparent in "restrained" inflation, and as to social peace—we will see. If we add to this the catastrophic ecological situation in the whole society, and in energy particularly, it is clear that even without the embargo we would have saddlebags of problems that urgently require a solution.

One cannot argue in principle about this problem, and especially not with a patriotic fervor, so we must proceed from the elementary facts, which are best seen in terms of the energy balance and its structure. The "normal" energy balance of a country of 10 million inhabitants and at a level of development of about \$3,000 per inhabitant is about 20 million tons of TOE, of which about 50

percent are petroleum and gas. This would mean a consumption for Serbia of about 6.5 million tons of petroleum and 4 billion cubic meters of gas in 1992. Under the pressure of a deep recession and shortage of foreign exchange and transportation blockades already in place (the closing of YUNA [expansion unknown]), this balance has been reduced to 3.5 million tons and 2.5 billion cubic meters of gas. This, we thought, is the minimum for survival, but now it must be further reduced.

Our import dependence in the sector of petroleum and gas is indeed great and is constantly increasing. With 1.2 MTG [expansion unknown] of petroleum and 800 million cubic meters of gas from our own sources, we are covering barely one-fifth of "normal" needs, or about one-third of today's needs. There are practically no significant reserves here. It would be possible to "squeeze" some more petroleum (about 10 percent) at the price of destroying the optimal system of exploitation. There are no significant supplies since "hot" derivatives have already been used for years. Inefficient consumption represents some reserve, but rationalization is difficult to carry out under conditions of discontinued work in the majority of plants and a general fall in the volume of production. In addition, it is tied to the modernization of technology—therefore, new investments, often with foreign exchange.

And it is clear to the layman that petroleum and gas have penetrated every pore of human activity. And we are often surprised by alarming appeals and warnings that arrive from the most improbable places. From incubators and pig breeding installations to rotation ovens in cement plants. There is no unrefined gasoline, there are no cups for yoghurt, there is no crude oil, there is no sugar. Nevertheless, in the structure of our energy balance, most important is the group of intermediate distillates, which encompass jet fuel, diesel fuel, and household heating oil. Air transport, highway transport, and especially agriculture in all phases of work are sensitive to this. In the group of gasolines, in addition to the dominant motor gasoline, basic gasoline—a raw material for the petrochemical industry—is important. This branch includes polyethylenes, polypropylene, PVC [polyvinyl chloride], synthetic rubber... and in the second generation thousands of articles from the famous yogurt cup and gas hoses to pneumatics and carpets. Even walking doesn't help here (Mr. Sainovic's prescription), because soles, i.e., rubber, i.e., gasoline or petroleum, are again consumed. The third large group, residual oils for heating or popularly crude oil, is still irreplaceable energy. To be sure, it is easier to discuss it in the second quarter than at the start of winter, when the season in sugar refineries is added. Natural gas, with 18 percent recorded in the energy balance, has become significant. In addition to heating large cities, cement plants, ironworks, glass factories, petrochemical plants, and especially fertilizer factories cannot operate without it. This is again agrarian which, through chemical fertilizers and other agrochemical products, is closely tied to

petroleum and gas. These are only a few examples that show what kind of quadrature of the circle everyone will find himself in front of on whom further reduction and determination of priorities in the sector of petroleum and gas fall.

Who will supply the Serbian krajinas? Objectively, these krajinas, after breaking ties with the territories surrounding them, have been included in the energy balance of Serbia and cannot be erased from it with an eraser until an alternative solution is offered. To be sure, many great national leaders are finding it hard to reconcile the fact that their people are the same as others—they want to eat, to stay warm, to travel, to have light, warm water.... It would be easier for them to lead some ethereal people who do not consume anything except myths and legends, and then they would indeed be great.

Be that as it may, as soon as any kind of program of postwar rebuilding is started, at least another 1.5 million tons of derivatives will also be needed by those areas. And that is then our balance.

Naturally there are always solutions, but the question is at what level. We optimists who hope that the time for postwar reconstruction and return to reform will come nonetheless would love for the abyss not to be so deep and the damages irreparable. Because it is difficult to get out of the chasm, and easy to fall into it. Anyone who has built or managed a factory knows that it is not just iron and concrete, but a live organism tied to thousands of threads for the domestic and foreign environment, primarily through the market. If all this is torn and clogged up, the organism withers and a long and tortuous recovery is necessary, if it is possible at all. For those in favor of another concept—supporting the economy—the problem is much simpler. Their arsenal of economic measures are embargoes, restrictions, shutdowns, coupons, stamps.... This is also their anti-inflationary program, because as soon as the market is suspended there is no more inflation! Thus the ruble maintained a parity of 1.2 with the U.S. dollar, and that for decades! Simple. Thus everything has “already been seen.” Those are the possible and most serious consequences of this blockade, by which ideal conditions for the realization of the concept of the state economy are being created: There are the foreign enemy, a blockade and isolation, the class enemy, a fifth column, social misfortune, a threatened nation. We remember NEP! Naturally it is possible to live with 120 kg of liquid fuel and 80 million cubic meters of gas per inhabitant, and how we would be condemned in case the blockade is long-term and hermetic, but the problem in this is that the correlation between the consumption of energy and the national product per capita of inhabitant is quite firm and that this would mean a return to GNP \$300-500, or an average wage of about \$30-50 and a complete freeze in development. Pretty painful for people who have learned better.

As to practical steps that could be taken under these conditions, in first place are efforts that both the government of Serbia and the UN realize that this policy and this blockade DO NOT RESOLVE ANYTHING. Ways must be found for Serbia and the other parts of the former Yugoslavia to be included in Europe, where it really belongs and where there are already established and operating economic, legal, and political instruments for resolving the problems that are plaguing us today, and that Europe in certain phases of its development also survived with great difficulty.

Of the practical measures that remain at our disposal while the blockade lasts, we will mention only some:

- An increase in the production of domestic energy raw materials, without robbing reserves;
- Rationalization of consumption and introduction of firm norms for consumption of energy per product unit in key branches;
- Refraining from a policy of depressed prices, energy, and a transition to parity with foreign countries;
- Reactivating programs for utilizing alternative sources, especially geothermal energy, biomass, biogas, solar;
- Substitution of petroleum and gas with domestic sources;
- Introduction of a modern system of administering energy (energy management), at all levels (State, district, enterprise) and an informational system for monitoring;
- A change in the structure of processing and adaptation of the contribution of derivatives to the new structure of consumption and to priorities. Naturally amateur geniuses always appear under such circumstances with “simple” solutions, such as eating roots, walking, gasohol, returning horses and oxen to the fields. I wouldn’t comment on this last idea because I’m afraid that it falls more into personnel than energy policy.

‘Desperate Warnings’ From Serbian Hospitals

92BA1154A Belgrade BORBA in Serbo-Croatian
22 Jun 92 p 10

[Article by Bojana Popovic: “Desperate Warnings Arriving From All Hospitals in Serbia: Last Reserves of Medicine and Sanitary Supplies Are Exhausted: Death as Epidemic”]

[Text] According to the plan enacted by the Serbian Government, strict controls over medical supplies have been introduced, systematic examinations have been discontinued, and inpatient care has been curtailed... At the Transfusion Institute in Belgrade, there are no bottles for blood, needles... At Dr. Laza Lazarevic Hospital, hungry patients beat up several nurses and technicians last week....

The death of 12 infants at the Banja Luka Medical Center is the most tragic tribute to the blockade against our country. The only comforting element of the Security Council resolution—that the sanctions do not relate to food and medicine—showed at the very outset how little reason there was for us to remain calm in this regard at least. The UN Committee for Monitoring the Sanctions Against Yugoslavia did not grant its permission for essential medical supplies (in this case oxygen for infants and solution for hemophiliacs) to be transported to Bosnia-Herzegovian hospitals, despite strong appeals and warnings about fatal consequences. As desperate cries are heard from all of Serbia's hospitals, indicating that reserves of medicine and sanitary supplies are exhausted, it is possible that, unfortunately, the tragedy of sick people who depend on medicine is spreading like an epidemic.

The burden of the plan adopted by the Serbian Government for health-care services under blockade conditions has fallen on debtor's health care like bitter grass on a grave wound. Everything has been cut back to the limits of what is urgent. Strict controls over medical supplies have been introduced, systematic examinations have been discontinued, inpatient care has been curtailed, and dental labs have been closed. Cataract operations have to wait for a more favorable time, while patients over the age of 60 will not be given cytostatics.... In addition, hospitals are using up their last meters of bandages and gauze for the most necessary services, and in many operating rooms operations are being halted for lack of anesthetics or blood and blood derivatives, or even suture material. There are not enough infusion solutions, gases, antishock therapy, x-ray film, disinfectant solutions, analgesics, and antibiotics, and there is no group of pharmaceuticals that is not affected by shortages. Patients are being sent home to recover there, house calls by doctors are being cut back because of the gasoline shortage, and unpaid suppliers' bills have brought an end to meat in hospital portions. Patients who must be admitted to the hospital are advised to bring soap, medicine, pajamas, and food with them. The list of things not available in hospitals grows longer every day.

In defense of their profession, and because they have nothing to work with, doctors in Sabac went on strike for several days. Health-care facilities in Nis have long since run out of medicine and sanitary supplies, while their employees received their personal income on Friday, the last in Serbia. The Medical Center in Cacak, which covers that city, Lucani, and Gornji Milanovac, has no hygienic supplies, in addition to no medicine. Kragujevac health-care services owe producers of medical supplies 282 million dinars, and as of today there is nothing left to prescribe in Kragujevac. At the Serbian Blood Transfusion Institute, according to director Dr. Vukman Gligorovic, there are no bottles, needles, and bags, while the materials purchased abroad are sitting at the border.

For the 87 patients suffering from grave kidney disorders who are being treated at the Urology Clinic of the

Surgical Institute of the Novi Sad School of Medicine, the solution for hemodialysis will last until the end of the week. And after that, as Serbian Minister of Health Dr. Miroslav Negrojevic warned, the patients will be condemned to death unless something is done. Moreover, the Surgical Institute has reduced its number of patients to one-third the figure in May, which already represented a 50-percent cut. Besides the medicine that is lacking at that clinic, the last meters of gauze have also been used.

At Dr. Laza Lazarevic Neuropsychiatric Hospital in Belgrade, hungry patients beat up several nurses and technicians last week.

"Aggression by mental patients has risen," explains Prof. Dr. Slobodan Jakulic, "in part because of the lack of medicine. So-called long-acting drugs, which are effective from seven to 30 days, are not produced at Serbian factories, and with the last quantities of substitutes for these drugs we do not know for sure if the patients are safe. In general there are no tricyclic antidepressives in ampoules for treating depression and anxiety, which is on the rise due to the war. The recommendation by health authorities," Prof. Jakulic emphasizes, "that patients buy their own medicine places us doctors in a situation whereby we treat the same condition in two ways. With the medicine from those who have the money to buy it at a private pharmacy, and without medicine. Something that is completely normal to doctors in the United States places our humanists into an ethical bind, because we were taught that all patients are the same."

Necessity, however, knows no law. The Zvezdara Clinical-Hospital Center [KBC] has been threatened with a cutoff of food supplies for patients due to unpaid bills. The only food left at the Children's Clinic on Tirsova Ulica is bread; the Institute for Premature Children is out of milk; at the Dr. Dragisa Misovic Clinical-Hospital Center, bed linens are returned with clots of blood, even after washing; at the Zemun KBC, it is easy to count what is left; at the Bezanjska Kosa KBC, doctors are working amid threats by suppliers, and pharmaceutical factories are demanding payment up front....

At the University Clinical Center [UKC], which is the epitome of health-care institutions in the republic, open-heart surgery has been stopped; at the Neurosurgical Clinic, only operations on the central nervous system are performed, while at other clinics of this institution, the shortages must be overcome, as one of its top people said, by force of knowledge and goodwill. Since bad news travels in pairs, the scanner stopped working at the UKC Neurosurgical Clinic, and the same thing then happened to the nuclear magnetic resonance system. It is hard to imagine when spare parts will be available under blockade conditions.

"The Clinical Center," says Dr. Borivoje Radosavljevic, the director of supplies for the Clinical Center and pharmacy, "cannot function under the blockade. This is a highly specialized institution where operations are performed that are completely dependent on imports,

due to the equipment, instruments, and medicines needed. The small reserves that are on hand were set aside so that work can continue uninterrupted, but not in a blockade situation, something that should have been considered earlier. The last supplies of bandages, medicine, and gauze are being used up, and a possible crisis situation, with massive human injuries, could not be handled at the UKC. At the Clinic for Lung Disease and TBC [expansion not given] of this institution, doctors are struggling in a situation where they have medicine to fight tuberculosis, but no cytostatics."

The Government of the Republic of Serbia enacted a recovery program for the health-care sector several days ago—with a delay of more than one month. The total imbalance, which comes to 38 billion dinars in this sector, will be overhauled, according to Dr. Tomislav Jankovic, the secretary of the Republican Institute for Health Care and Health Insurance of Serbia, through loans (10 billion dinars) and better payment of contributions (also 10 billion dinars). This same sum is projected from the cadastral revenues of farmers through the introduction of a so-called head tax on each member of a farming household. Specifically, since they covered less than 30 percent of the costs of health care, the introduction of the head tax would cover practically all of last year's losses. The health-care system would get the remaining eight billion dinars from the share program that the People's Assembly of Serbia should adopt at one of its next sessions.

[Box, p 10]

Kikinda: Only Priorities

There is not enough medicine in the pharmacies of Kikinda. According to the people in charge, this shortage was not caused by the sanctions, but rather by the chronic money crunch and indebtedness of health-care institutions to wholesale pharmacies and pharmaceutical factories. The situation is especially acute with medication for mental patients and with insulin.

"No improvement in the situation with regard to the supply of drugs and medical materials is expected in the near future," says Stojan Vukotic, the director of "Galena," "because we would first have to pay off all our debts to medical suppliers."

In the coming days, the Health Center in Kikinda will implement the concrete decision by the Ministry of Health on working under blockade conditions. Lists of priority medicines will be drawn up, systematic examinations will be discontinued in primary health care, and all surgical intervention that can be put off without serious consequences will be suspended.

—by M.L.

[Box, p 10]

Vukovar and Knin: Neither Food nor Medicine

"Patients in Vukovar are in a critical state. There is neither medicine nor food. If this does not arrive in a few days, the hospital will be closed, and it is hard to say what will happen to the 120 patients, including a large number who are gravely ill," says the chairman of the Regional Council of Slavonia, Baranya, and Western Syrmia, Milan Ilic. "The lives of some of the patients are already in danger. It is unacceptable that they are not getting medicine and food because of the sanctions imposed on the FR [Federal Republic of] Yugoslavia. Ever since the measures were introduced, we have received no assistance whatsoever."

"The world has not noticed," explains Stojan Spanovic, the minister of defense in the Republic of Serbian Krajina, "that because of the sanctions applied against one country, the consequences are being felt by all Serbs. Since the blockade began, not one airplane has landed in Krajina, nor is there any medicine. One girl died at Knin Hospital because there was no oxygen for her, and the lives of another 50 patients are in danger. If medicine and sanitary material do not come before long, the lives of these patients will be in danger, too."

—by B.G.

[Box, p 10]

Subotica: Not Even Emergency Services

Rigorous restrictions have been introduced in all areas of the Medical Center in Subotica. Dr. Zvonimir Kis, the director of the Medical Center, says that the majority of health-care services are being provided at the outpatient clinics of the Health Center and at General Hospital. Only children, pregnant women, and vaccinations are not subject to restrictions there. Outpatient clinics in local communities are being closed selectively. Lab tests at the Health Center are run only when necessary. The entire dental prosthetics lab has been shut down. At General Hospital, one-third of the patients have been released, and those who are being kept for treatment have been asked to bring medicine and personal hygiene items from home. The number of official vehicles in the entire Medical Center has been reduced, while ambulances are sent out only in the most urgent cases. At the "Galena" laboratory, they say that they have enough raw materials for now and that they are working at full capacity in an attempt to make substitutes for drugs that are not available on the market.

—by J.S.

[Box, p 10]

Still No Approval

Everything was ready yesterday at Batajnica Airport for humanitarian aid to take off for Banja Luka and Sarajevo. More than 400 people were waiting for the plane to

take off, inhabitants of Bosnia-Hercegovina [B-H] who have fled to Serbia because of the war and who want to go home.

As of yesterday at 1500, as Dusko Sucur, the official on duty from the Committee for Cooperation With the United Nations, told us, approval had not arrived from air control authorities of the Republic of Croatia and the competent organs of UNPROFOR [United Nations Protection Force], allowing the planes with humanitarian aid to safely take off for Sarajevo and Banja Luka. In anticipation, duties on the committee were assigned so that everything would be ready for the sign that the aid could leave for B-H. We were told at the Palace of the Federation, from the office of President Dobrica Cosic, that they were interested in whether the aid would even depart.

—by Dj.K.

[Box, p 10]

Message From Dobrica Cosic to Butrus Butrus-Ghali: Prevent a Tragedy

The evening before last, the president of the FRY [Federal Republic of Yugoslavia], Dobrica Cosic, sent a message to UN Secretary General Butrus Butrus-Ghali with the request that he immediately make it possible for hospitals in B-H to be supplied with the most necessary medicine:

“In my capacity as president of the Federal Republic of Yugoslavia, as a person and a writer, I ask you to immediately make it possible for hospitals in Bosnia-Hercegovina to be supplied with the most necessary medicine.

“It is known that numerous lives have already been lost there, including the lives of newborn children, due to the inhumane interpretation of the Resolution of the Security Council of the United Nations on the Introduction of Sanctions Against Yugoslavia. At a time like this, I cannot help but recall Dostoyevski, who said that ‘there is nothing in the world that would justify the shedding of even a single child’s tear....’

“I hope and believe that you will invest your moral and political authority in seeing to it that the tragedy of the innocent and powerless comes to an end.”

Democratic Party Demands Exact Date of Elections

*AU0807173992 Belgrade BORBA in Serbo-Croatian
3 Jul 92 p 13*

[Report by S. Zelenbaba: “We Should Fear the Hungry”]

[Text] Belgrade—“Serbia has been under an internal political blockade during the last few days, which has been caused by the unreadiness of the authorities to make any concessions. To overcome this situation, it is necessary to force the authorities to give the exact date

for the early elections for all levels of authority by mid-July at the latest,” Dr. Zoran Djindjic said yesterday at the regular news conference of the Democratic Party.

According to him, this would significantly reduce the political tension in Serbia, which has been threatening to turn into chaos and anarchy. After the exact date for the elections is announced, talks should be held on the conditions of the election campaign. Djindjic does not think it is important where these talks are to be held: around the table, or within an interim, temporary, or centralized government. What matters is the subject of these talks.

Djindjic believes that forcing the date for the elections would be a result that would satisfy all those who are currently trying (in the parliament or faculties) to force democratic changes in Serbia through pressure outside legal institutions.

If these people were to disperse resignedly, Djindjic thinks, that would, in several months, bring about pressure that would no longer have a political goal, but would instead become a goal in itself. We should fear the destructive energy of the hungry, which would then surface, Djindjic warned. In two or three months everything in Serbia will stop, and it will no longer matter who the authorities are and who the opposition is.

According to Djindjic, unless the definite date for the early elections is announced soon, all the promises by the authorities and their readiness for cooperation will be forgotten, and the authorities will only maneuver to gain time.

The Democratic Party is not giving up its platform, Djindjic claimed, although it has not been very successful in the Assembly. Djindjic said that this is because it was obstructed by the representatives of the Socialist Party of Serbia, and some representatives of the Serbian Renewal Movement. He did admit, however, that the platform was presented at a politically inopportune moment.

Asked about relations within the Democratic Party, Djindjic said that they are conditioned by the overall situation in the society.

“The Serbian society is disintegrating, and it is natural that the consequences of that disintegration are also felt by our party, no matter how pathetic that might sound. Events are developing rapidly, and some people in the Democratic Party are losing their patience.”

Djindjic praised his party because all its legitimate offices are functioning properly, they have regular meetings, quorum.... “True, some members of the party do not respect all its decisions, but it has not yet reached a level that would jeopardize the survival of the Democratic Party,” Djindjic said.

According to him, “we have survived the worst.”

"We have now been proven right to have insisted on the identity of the party. In this situation when the whole Serbian society has split half, we have managed to stay in the center, and I believe that our position will soon receive recognition," he added.

The reporters present were informed that Dr. Dragoljub Micunovic, president of the Democratic Party, is returning from America on Monday. Djindjic condemned the physical attack on Dr. Milan Babic on the behalf of the Democrats. He invited the reporters to give a minute's silent tribute to the recently deceased Borislav Pekic, novelist and one of the founders of the Democratic Party.

[Box, p 13]

Denial

The Democratic Youth, junior subsidiary of the Democratic Party, denied in yesterday's statement any involvement in the letter that had apparently been delivered by "the Belgrade Committees of the Democratic Youth" to Dragoljub Micunovic and Zoran Djindjic.

There are no such institutions as "Belgrade committees" within the Democratic Youth, and the unsigned letter had a seal "Regional Committee of the Democratic Party of Belgrade," which is further proof of its illegitimacy.

The publishing of such letters by some information services is introducing rabble-rousing into politics, which the Democratic Party has always opposed, the statement concluded.

PPD Demands Protection of Albanians in Macedonia

AU0807143992 Zofingen RILINDJA in Albanian
26 Jun 92 p 4

[Article by I. Arslani: "Law-Governed State Besmirched in Ladorishte"]

[Text] On the occasion of police intervention in the village of Ladorishte, near Struga, the Democratic Prosperity Party [PPD] issued a communique in which it says that senseless things have happened since the beginning of the process of international acknowledgement of former Yugoslav republics. Instead of making progress in democracy and equality of all the nationalities who live there, the Macedonian Government and some state officials have done the opposite, which proves it is not a democratic state, and there is no equality, especially for Albanians.

Instead of forsaking the single-party system of communism, it always returns to it and to its means of solving problems. The Ministry of Internal Affairs made a further step in this direction. This "democratic" ministry, with cadres inherited from the past, constantly provokes the Albanians using "proved" methods, like killing people, such as the case in Shkup [Skopje], like in the time of the single-party system.

Actions of confiscations and plunders of hard currency and gold from the citizens in Kercovo, Shkup, Struga; looting vehicles; demonstration of force by firing guns in the air in Tetovo, Gostivar, Diber [Debar], and Struga, have appeared on the stage again. The Albanians and their political parties, especially the PPD, endured with silence and dignity and passed judgment in a civilized way, calling for a halt of the state's violation and for solving the problems by dialogue and peaceful means.

In spite of the fact that there are no reasons for such behavior, the Ministry of Internal Affairs answered the party's calls for wisdom and democratic means with the most recent "action" in the village of Ladorishte, near Struga. I wonder whether they needed nearly 1,000 policemen armed to the teeth to arrest a few peasants, and to raid 16 houses by "passing through," and to ruin and burn houses, cow sheds, and walls, to arrest adolescents, and to fire guns in the air in those homes where there were no landlords. This was not an action, but a real invasion, where they were not defending the law-governed state, but besmirching it. The quiet and trustworthy Albanians faced another provocation and insult, but the question arises as to how long it will be like this.

Intervention in this village was a rough demonstration of power, to frighten the Albanian people. They could not frighten them, but this reached the opposite effect—bitterness, which grows all the time. The Albanian people are becoming more depressed by the "democracy" and "equality" in Macedonia.

The "process" of ruining Albanian houses and other buildings without looking for another solution, without making up for the damage, and without assuring necessary lodging in Shkup and Kumanovo, is starting again. The new Macedonian Army started with provocation of the Albanians in Diber and in the village of Jazhince, near Tetovo, immediately and began to dismiss Albanian officers, such as Arif Doko.

Peace still prevails in Macedonia. The Albanians deserve much of the credit for this peace, who with conscience avoid every provocation. It is an amazing fact how such things can happen at the moment when Macedonia needs peace and international recognition, while some political circles and government bodies persist in trying to break peace and quiet and to prevent recognition of Macedonia, tempting to join in this play the Albanians as "suitable offenders."

Intervention in Ladorishte can be a coincidence with the events in Croatia and Bosnia and Herzegovina, to achieve international recognition by bloodshed. However, they forget that if blood is shed in Macedonia, it will just push recognition, the bloodshed will expand throughout the Balkans, and Macedonia will no longer exist. This intervention may be from the north, to make real a foreign scenario in Macedonia, but this alteration

will bring destruction to its efforts for independence, states the PPD communique.

Croatian Economy Seen Improving

92BA1127A Belgrade EKONOMSKA POLITIKA
in Serbo-Croatian 8 Jun 92 pp 18-19

[Article by Aleksandar Lebl: "Year of Survival"]

[Text] In the first months of this year, the social product fell to two-thirds of the 1990 average; Who is responsible for the relatively slow depreciation of the Croatian dinar? The question of how the war effort is being financed (has been financed) up to now remains without an answer.

In specialized and government circles in Zagreb, they consider this year, the most difficult since the beginning of the new state, the "year of survival," while the next would be the "year of recovery." The social product in the first three-month period of this year fell to about two-thirds of the 1990 average. According to a specialized scenario prepared for the government, the 1986 level should be reached by 1996, i.e., about 15 billion dollars, and then continue to rise.

The year 1992 is a year of noninvestment, a year of consumption. Consumption will exceed the social product by about 2 billion dollars. Three-quarters of this is supposed to be covered by the sale of social apartments, factories, and other facilities, the sale of concessions, and the like. Investments (700 million to 1 billion dollars) are anticipated only for the rebuilding of that part destroyed during the war.

The war has inflicted huge damage. Not counting the loss of life, which has no price, or destroyed cultural facilities, regardless of who considers them his, about 20 percent of production capacities have been destroyed, while about 30 percent are out of operation. The destruction of infrastructure is great; many systems have ceased running. Technology is not being renewed. A good part of the qualified work force is under arms. There are several hundred thousand refugees in the country, now from Bosnia-Herzegovina as well. Social problems are worsening, although there is no unrest, but only social dissatisfaction. In agriculture the greater part of Slavonia is not producing, much of the equipment has been lost, the number of livestock has dropped drastically.

Earlier insufficiently accurate estimates of the damage, which ranged up to the hundreds of billions of dollars, have recently been revised downward, so that a total sum of about 25 billion dollars is realistic. Of this direct damage is 19 billion dollars, and losses 6-7 billion dollars.

The damage is, understandably, not distributed equally by region. Slavonia, Dalmatia, and its hinterland are most affected, and Zagorje, Istria, Kvarner, and some other regions to one extent or another, if direct damages are in question, though they are indirectly too.

Exports dropped by 25 percent between 1990 and 1991, and imports by about a third. In the first three-month period of this year, exports were less than half those in the first three-month period of 1991, and imports almost 60 percent less. Tourism, by number of overnight stays and foreign exchange income, dropped to less than one-tenth that of 1990 (from 34 million to 3.3 million overnight stays and from a registered 1,311 to about 100 million dollars). And receipts fell drastically, while the increase far surpassed income.

It would be well to cite many more indicators of the difficulties in which the Republic and its population find themselves, such as the drop in real personal incomes at the end of last year and the beginning of this year to barely more than half the 1990 average (the average in February 1992 was 13,619 Croatian dinars), but the purpose of this article is not to go into all details but to present a general picture of the situation and indicate possible further economic movements.

There are signs that the bottom of the crisis was reached sometime in March-April of this year and that a moderate trend upward has begun since then. This means industrial production, exports, personal incomes, and some other indicators. The coming months will show whether this is permanent or temporary. In any case, it is estimated that exports will reach 2.4 billion dollars this year, revenues from tourism 200 million dollars (mainly in Istria and Kvarner), from transport 600 million, income from the population 1.3 billion, etc. Imports should reach a value of 3.7 billion, 420 million would be given for transport, outflow to the populace would amount to 1 billion dollars. Thus a payments balance projection calls for a deficit of 484 million dollars (this is less than in 1990, when it amounted to 620 million), with total revenues of 5.12 billion and expenditures of 5.604 billion dollars.

Croatia is counting on imminent admittance into the International Monetary Fund, the World Bank, and other international financial institutions, which will enable it to obtain loans and credits. The financial protocol II has been activated with the European Community, work is in progress on protocol III, the PHARE [Poland and Hungary Assistance for Economic Restructuring] program program is being utilized. It is figured that favorable solutions for foreign debts will be found, which amounted on 31 December 1991 to 2.719 billion dollars (423.3 million to international financial institutions, 887.4 million to commercial banks, 783.4 to governments and their agencies, 465.1 million to other banks, and 160.2 to suppliers), not counting the share in the debt of the former federation of 3.144 billion dollars, which is to be distributed among individual new states.

Since 23 December of last year, Croatia has had its temporary currency, the Croatian dinar. The exchange of the Yugo dinar for this dinar has been carried out on a 1 to 1 basis. Then parity between 55 Croatian dinars and one German mark was determined. Devaluation has been carried out twice this year, of 21.8 and 40 percent.

On the occasion of this second one, on 18 April, the tie to the mark was abandoned and floating was introduced, with slight intervention from the National Bank of Croatia. At the end of May the mark reached 105-110 dinars (about 10 percent more on the black market).

For the relatively slow depreciation of the HRD [Croatian dinar], the NBH [National Bank of Croatia] and its governor, Ante Cicin-Sain, who carried out a rather restrictive monetary policy, not yielding to pressures from various sides, between them and the government, have been most responsible. It is claimed that he replied to Minister of Finance Joza Martinovic's request that the government approve a loan of 3.5 billion dinars at an interest rate of 1 percent yearly (with a monthly inflation of 14.3 percent in March compared to February), that he would not put his signature on such a gift. Because of this he left this position (he is going for the ambassador to the EC in Brussels), and the question is whether the new governor, Pero Jurkovic, will be more indulgent. And part of the members of the government believe that a relaxation with issuances would not have much of an effect, would even act negatively in the production sphere, and besides that would have an unfavorable impact on existing negotiations with the IMF, which would also demand appropriate anti-inflationary and stabilizing measures from Croatia.

The Central Bank of Croatia has taken some steps that are, at the least, interesting for studying. Since monetary independence has been expected without foreign exchange reserves, it has been understandable to see to it that they are beginning to be created in unusual ways. Thus, in October 1991, it was prescribed that 25 percent of export revenues be set aside for paying for imports of vital products and services. Since it is estimated that business banks have a strict minimum of foreign exchange at their disposal and that the transfer of part to the account of the central bank would leave them without this minimum, the NBH refrained from creating reserves in this way and left all revenues to business banks. Since the end of April, the foreign exchange liquidity of these banks has begun to improve.

Since it has been shown that exporters, despite a ban, are not bringing in money within a certain time and are holding it abroad, and thus are not yielding the 25 percent mentioned above for paying for certain exports, and for other reasons, the regulation on this obligation was eliminated at the end of April. Together with the transition to the floating exchange rate, this has made possible a liberalization in international payments. The banks determine their policy themselves in this sphere. There are no limits on the purchase of foreign exchange for payments in commercial transactions, i.e., the import of goods and services, payment of principal due and interest on debts and other current transactions (this does not include capital transfers). Nevertheless, the goal has been set of creating NBH reserves of 150 million dollars, and it has been prescribed that 25 percent of foreign exchange purchased in currency exchange offices and an equal sum in foreign exchange originating from

foreign exchange deposits and from notes paid from abroad and sold to business banks be transferred to its account.

The question of how the war effort has been financed and is being financed, from what sources and the like, has remained unanswered for now, although it is assumed that significant sums have been obtained from Croats abroad, that there has also been other assistance, and that a part of purchases has been on credit, under unknown conditions.

One of the current economic themes, which certainly has political significance, is privatization. According to applicable regulations, social property, if it has not been transformed into public property (and it has been to a significant extent in the most important branches and infrastructure), was supposed to convert to private property by 30 June of this year in one of the ways provided for by the Law on Transformation (Conversion) of Social Enterprises. These enterprises become share companies or companies with limited liability through the sale of all or part; through the investment of capital; through the conversion of investments or claims into shares; through the transfer of shares into funds—developmental and pension. However, if they are not privatized by that date, they become subject to the authority of the Agency for Restructuring and Development, which will overhaul them as necessary and later sell them. How many enterprises have been privatized so far is not precisely known. The government claims as many as 70 percent, while critics say that the percentage is far lower.

In connection with privatization (and the sale of social apartments, which should bring in appreciable amounts of foreign exchange) there is also denationalization. According to some estimates, there are about 40,000 apartments alone that should be returned to former private owners or for which these owners should be paid. Sharp polemics are being waged as to whether the apartments should be returned to them and those moved out who have established a right to dwell in them, as well as about where these tenants should be domiciled, and on the other hand, how much to pay them if this option is chosen and from what funds. Since it is estimated that tenants with a right to reside would buy the apartments for about 200 marks per square meter, and that former owners should be compensated at a rate of at least 1,000 marks per square meter, it turns out that 200,000 apartments should be sold, so that the benefit to the state would be virtually nil, since it would not get the foreign exchange it's counting on.

Foreign exchange, particularly foreign capital, is something that is being counted on a lot in the rebuilding of the country, the movement of economic activity after the war, the change in economic structure. It is believed that damaged and destroyed capacities should not be returned to their previous state, but rebuilt, modernized, equipped with modern technology, or earmarked for

completely new production programs. It is necessary to carry out ownership, administrative, and every other type of transformation.

A condition for all this is attracting foreign capital, together with knowhow, organization, technology, and the like. In order for this to be achieved, it will be necessary to create a system compatible with the West in five to six years, create the institutions of a modern economy, a modern national administration, a tax system, and all the rest. One of the important steps

should be the creation in Zagreb of a base of foreign financial institutions to support such development.

How these ideas will be put into practice remains to be seen. A precondition for this is primarily peace and putting the situation in the Republic of Croatia itself, but also in the territory directly surrounding it, in order. But even under this precondition, it is very important who, what political parties and what individuals, will direct and lead this process. There are many candidates for this, but it depends on whom the people trust to perform this task.

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